

Steel-Owen alliance moves closer in Commons

The Social Democrats and Liberals in the Commons formed a joint consultative committee yesterday to coordinate parliamentary actions. Dr David Owen signalled the parliamentary birth of the new movement when he challenged the Labour Party, in a debate on defence, to declare their nuclear arms policy.

Joint consultative group formed

By Fred Emery
Political Editor

The 12 Social Democrats and 11 Liberals in the Commons formed a "joint consultative committee" yesterday to co-ordinate their parliamentary actions. It was the first combined action of what is intended to produce an electoral alliance.

The committee comprises Mr David Steel, Liberal leader, Dr David Owen, chairman of the parliamentary committee of the Council for Social Democracy, and the two whips, Mr Alan Beith (Liberal) and Mr John Roper (Social Democrat). They met yesterday and will begin weekly meetings tomorrow, alternating between the two parties. Other MPs will be called in according to the pending Commons business.

Mr Steel said yesterday: "I think it is very important that we be seen to be working together in the House of Commons before we attempt to go outside to the rest of the country." He was interviewed on Independent Television's *News at One*, he said: "I have had the impression all through the last few months that the public mood is one of great pressure for us to get together and be seen to form a coherent unit. If we cannot do it in the House of Commons, then we cannot do it outside."

Although Mr Steel's aim is something close to a merger by the next election—a view not shared by the Social Democrats—in the short term there are parliamentary advantages in doing apart: speakers from both groups are likely to be called in debates, and they can seek to make the maximum effect by arranging to speak on different days in such debates as the Budget.

The failure to agree joint action in last night's defence debate has not discouraged the participants. It was attempted before the new committee existed. And, in the Liberals' view, it failed because Dr Owen presented them with an amendment which, in Mr Beith's words, they could agree 99 per cent, but not on the nub, namely the Social Democrats' support for continuing with Polaris, which the Liberals oppose.

Mr Steel intends the Commons committee to be only one

forum for advancing the heads of agreement on policy that he wishes to have clear by July. He would then propose it to the full Liberal Assembly in September as the basis for proceeding to an electoral alliance. Mr Steel is understood to be a little perplexed by the so-called collective leadership of the Social Democrats. Although they have allocated communications to Mrs Shirley Williams, policy coordination to Mr Roy Jenkins, organization to Mr William Rodgers, and parliamentary affairs to Dr David Owen, the line of decision-making is none too clear to the Liberals.

The Liberal leader apparently looked askance at Mrs Williams' sudden withdrawal from a television appearance with him on Monday night, but he is not prepared to be put off. He now looks to a range of Liberal-Social Democrat meetings and dinners.

Mr Steel is understood to be in a favourable mood of causing as much confusion as possible to their opponents. He does not envisage a near carve-up of constituencies between the two parties in eventual alliance, but what he sees as "organic growth" at local level. Already it seems one unnamed Liberal local association has approached a social democrat to be their candidate. Although Mr Steel would prefer them to wait until after the election, he has apparently acquiesced.

As for the local government elections in May, he is understood to be looking to Liberal gains of at least 300 seats, the party's biggest landslide. But for parliamentary seats the Liberals acknowledge one difficulty, and it is the reason they have been pressing the so-called gang of four to hasten their party formation. The more Liberal candidates selected, the greater the difficulties in arriving at non-aggression pacts locally.

However, Mr Steel believes the electorate wants far more than such non-aggression pacts. In his view they would be effective enough to swing a majority vote, hence his desire for a near-merger that seems to the voter to be one alliance that could form the next government.

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Social Democratic challenge on arms

By Hugh Noyes
Parliamentary Correspondent

Dr David Owen, former Labour Foreign Secretary and one of the leaders of the Council for Social Democracy, yesterday signalled the parliamentary birth of the new political movement when he rose in the Commons to challenge Mr Michael Foot and other leaders of his former party to declare themselves on their nuclear arms policy.

Only a day after formally ceasing, with 11 other MPs, to be a member of the Labour Party, Dr Owen was supported in the Commons yesterday by seven of the new parliamentary committee of the Council for Social Democracy, including Mr William Rodgers, Labour's former defence spokesman.

Mr David Steel, the Liberal leader, came into the Chamber to listen to Dr Owen but Mr Foot absented himself from the

Labour front bench. The House filled rapidly as Dr Owen rose nervously to his feet, his hands shaking and clearly somewhat unnerved by the occasion.

Dr Owen addressed directly into his challenge to the Labour front bench. Speaking shortly after Mr John Nott, Secretary of State for Defence, and Mr Brynmor John, the Opposition spokesman, opened the debate on the independent strategic deterrent and the choice of the Trident missile system as the successor to Polaris. Dr Owen demanded that the Opposition should come clean on its defence policy.

Anyone who spoke in the debate for the Labour Party, he said, must be asked if they were endorsing the commitment to membership of Nato, which accepted a nuclear deterrent.

That question had to be

Shot girl was used as 'sandbag' court told

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Giscard poll tactics

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Tunnick's art: This picture of a Green-lantern falcon is typical of the art of Charles Tunnick, whose artistic estate is to be sold by Christie's on May 15. The sale runs counter to the artist's wishes. After the 1974 exhibition of some 300 of his works at the

Royal Academy he expressed a wish that his drawings and sketch books should be given to the academy after his death, according to his close friend, Mr Kyffin Williams, R.A. He particularly wished that they should remain together. Report, page 4

St Paul's chosen for July royal wedding

By Robin Young

The Prince of Wales will marry Lady Diana Spencer on Wednesday, July 29, in St Paul's Cathedral. The couple chose St Paul's in preference to Westminster Abbey, the site of many royal weddings this century, because it can seat several hundred more guests.

St Paul's already attracts two million visitors a year, and, for the first time in eight years, the building is free of scaffolding. Restoration work has been going on slowly since the war, and in 1971 an appeal raised £2m to repair the fabric. Work will not be finished in all areas in time for the wedding.

The wedding will be the first at the high altar of St Paul's for some years. Mr John Harrison, chief clerk of the Archbishop of Canterbury's faculty office, said he could remember only one other in the past 25 years, that of the daughter of the then Bishop of London, Bishop Stopford.

Queen Elizabeth the Queen Mother, whom the dean described yesterday as "a wonderful royal churchwarden", is patron of the Friends of St Paul's, and the cathedral was the scene for her 80th birthday celebrations last year. "I believe the Prince of Wales feels very much at home when he comes to St Paul's", Mr Webster said.

The town council at Tetbury, Gloucestershire, where the royal couple are expected to live, announced yesterday that it plans to make them a wedding present of new wrought iron gates for Highgrove, the Prince's home.

Buckingham Palace has said that after the wedding Lady Diana Spencer will be known as the Princess of Wales.

It is our intention that St Paul's should be looking at its best with flowers, banners and glorious music", he added. "We hope too that the procession to St Paul's up Ludgate Hill will be a wonderful sight."

Mr Webster said that 2,500 people attended last year's Christmas services at the cathedral. He hoped to make arrangements for more people to see the ceremony on closed circuit television, perhaps in the crypt.

If I could share my seat with anyone to see the ceremony I would gladly do so", he said, although he did not expect he would be allowed to. The Archbishop of Canterbury, Dr Robert Runcie, will officiate at the wedding, and the music will be planned by Mr Christopher Dearnley, the cathedral organist.

No early announcement is expected on whether the day will be declared a public holiday, although talks between government departments will start soon.

The British Tourist Authority

Mr Brezhnev stays at top as whole Politburo is reelected

From Michael Binyon
Moscow, March 3

President Brezhnev, the oldest party leader ever to hold supreme power in the Soviet Union, was today reelected General Secretary of the Communist Party for another five years, taking him almost to his sixtieth birthday.

His colleagues in the 14-man Politburo were also all reappointed, as were the eight candidate members and the 10 secretaries who head the important party committees, covering all aspects of political life in the Soviet Union.

It is believed that this is the first time since the Russian Revolution that no change of any kind has been made in the ruling bodies during a party congress.

Mr Brezhnev, who has been in office since 1954 and has steadily accumulated power and honours, remains President of the Supreme Soviet and thus head of state, undisputed leader of the country despite his frail health.

After a vote in which he has heard effusive praise for his personal role in guiding the nation and formulating party policy, he announced the news of his own reelection to the 5,000 delegates attending the annual congress of the party, the fourth over which he has presided.

To shouts of "Glory, glory" as he came into the hall and applause, he read out the list of those elected by the party's new Central Committee, itself reelected with a number of changes last night.

He was shown on television reading out the results, starting with himself and provoking another storm of applause. He then went in alphabetical order through the list of his

colleagues, whose average age is nearly 70.

The almost defiant decision not to make any changes was explained later at a press conference by the Soviet official spokesman as the manifestation by the party of its "high approval" of the leadership's activities and its full confidence in the organs of power.

It had been rumoured that the oldest member of the Politburo, Mr Arvid Pelshe, aged 82, might retire, but the man who has been a party member for 65 years and is the only person in the Politburo who knew Lenin stays on.

So do Mr Mikhail Suslov, the 75-year-old ideologue, and arguably the most influential man in the Soviet Union, Mr Andrei Kirilenko, aged 74, considered a likely interim successor to Mr Brezhnev, and Mr Nikolai Tikhonov, the 75-year-old Prime Minister who has held that office for less than a year.

It had also been expected that one of the Politburo's candidate members from Transcaucasia—Mr Edward Shevardnadze, party secretary of Georgia, or Mr Gaidar Aliev, party secretary of Azerbaijan—might be promoted to full voting membership.

But the candidate members, who include Mr Vasily Kuznetsov, the Soviet Deputy President, who is 80, and Mr Boris Ponomarev, aged 76, the long-standing and influential party secretary in charge of relations with non-ruling communist parties, remain as they were.

Party rules call for a "systematic renewal" of all organs up to the level of Central Committee and new members were added to this body last night. The committee's total membership was increased from 287 to

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Lord Diplock's report on phone tapping a whitewash, MP says

By Peter Evans
and Frances Gibb

Lord Diplock, chairman of the Security Commission, reported yesterday he was satisfied that there was nothing wrong with the way in which people's letters and telephone calls were intercepted by the police, the Customs and Excise, and the security services.

After monitoring procedures at Mrs Margaret Thatcher's request, he was satisfied that they were working with the minimum of interference with the individual's rights of privacy.

Lord Diplock, who is 73, will continue random checks of applications by the three services for warrants to intercept communications. His future reports will not be published, although Parliament will be told of any general findings.

Conservative and Labour MPs immediately attacked the report as a whitewash, and as sketchy and inadequate. It would do nothing to allay public fears about abuses in telephone tapping and opening of mail.

Supporters of the clause for statutory controls on tapping, now inserted in the Telecommunications Bill, accused the Government of timing the report's publication to deflect support for the legislation. Mr Kenneth Weetch, Labour MP

for Ipswich, said: "The Government has tried to put a finger in the dyke. But I believe it will fail."

Mr Marilyn Rees, a former Home Secretary, welcomed the "clean bill of health" given on the nature of information provided to the Home Secretary.

But there still needed to be a law of privacy and a body to look at the issue of warrants to intercept communications.

Mr John Goss, Conservative MP for Barnet, Hendon North, whose support of the clause for statutory controls on tapping brought about the Government's defeat in the committee stage of the Bill, said: "What this report does not say is that abuses are not happening, cannot, have not and will not happen, and therefore it will not allay people's fears."

Statutory controls in place of guidelines on interceptions were needed.

Mr Weetch described the report as a "whitewash", "slender, and inadequate to allay public unease." It has an apparent haste and lack of thorough scrutiny of an enormous and important situation. Does Lord Diplock expect us to believe that all the interceptions that go on in Britain are bona fide and within the limits of the guidelines? I think he believes we were born yesterday."

Mr Roger Darlington, research

officer with the Post Office Engineering Union and author of its report last year, *Tapping the Telephone*, said the report was a "bitter disappointment."

Its terms of reference failed to embrace the whole field of unofficial tapping, now taking place on a massive scale; the interception under the warrant of the Secretary of State for Northern Ireland; interceptions by foreign agents in Britain; or official tapping that occurs without the Home Secretary's warrant.

The report was a mere six pages. It did not contain a single statistic and failed even to update information on the number of warrants issued. Lord Diplock has indicated a number of cases at random; he does not say how many, or their nature. Far from reassuring people, it strengthens support for legislation.

The National Council for Civil Liberties described the report as "sketchy" and "a substitute for legislation. If the Government did not accept the clause in the Bill, it was likely it would be forced to legislate because of a case against Britain pending at the European Commission of Human Rights."

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England are kept waiting for cricket tour decision

By Richard Streeton

A lack of official information from the meeting of West Indian ministers in Barbados about the future of the England cricket tour forced a meeting of the Cricket Council's emergency executive committee at Lord's last night to be postponed until today.

The English officials, waiting in the MCC committee room, were kept informed of the radio and news agency stories from Bridgetown but felt they were unable to discuss the matter until they heard formally from the West Indian authorities.

Mr Peter Lush, the Cricket Council spokesman, said they had been in touch with Mr Alan Smith, the England team manager, by telephone at 7 pm London time and he had been

unable to give them any information. A statement first promised for three hours earlier had not materialized and the committee agreed to adjourn until 9.30 am today.

Mr Lush declined to speculate on the Cricket Council's emerged from Barbados—that the West Indian meeting, attended by government representatives from Barbados, Antigua, Montserrat, and Jamaica, would allow the English cricketers to complete their programme but would seek guarantees about the future composition of visiting English sides. These would not be allowed to include anyone with South African connections.

The Cricket Council's emergency committee will be chaired today by Mr Charles Palmer, the Council chairman. England in Limbo, page 11

Move to avert strike by civil servants fails

Civil servants' union leaders said they were determined that they would not embark on a strike that could be a long dispute after the failure of a last-minute attempt by the Government to head off next Monday's one-day strike and the planned campaign of disruptive action. The unions were told they would be no increase in the 7 per cent pay offer. Page 2

Front told not to march

Almond Yvond strongly advised the National Front not to proceed with their march past the house in south London where 13 young blacks died in a six-week siege. The Home Secretary was asked to ban the march if Front leaders decide to go ahead. Page 2

Shot girl was used as 'sandbag' court told

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LONDON PARIS AMSTERDAM

HOME NEWS

Trade deals make a meal of Polish ham

By Hugh Clayton
Agriculture Correspondent

Ham and sausages are being imported from Poland even though the country faces imminent meat rationing. Meanwhile, cut-price British beef and pigfeed are being sold to Poland to ease the meat shortage.

But when Polish pigs fed with cheap British grain return to this country in sliced and cooked form, they attract an EEC tax of 40 per cent to shield Community farmers from undercutting.

Poles eat more meat than most other Europeans, and EEC ministers adopted a plan in December to sell cheap food to Poland from Community surpluses. Britain has contributed more than 100,000 tonnes of cut-price barley to the programme and is about to sell 1,000 tonnes of beef to Poland for less than half the British wholesale price.

Polish suppliers were among a large contingent from Commonwealth countries at the International Food Exhibition in London yesterday. They hoped to attract orders from British grocers at the show, which is open only to trade visitors.

Mr Peter Kosmider, sales director of L. Schweizer, a large British importer of Polish sausages, said: "I can get all the meat I want. There is extra production available in Poland, and sales in Britain have been on the up and up."

The only shortages in Polish food supplies to Britain had been caused by poor harvests for some fruit and vegetables last year. "Where there are shortages they are not political," he said.

His company's trade leaflet offers 24 types of Polish sausage, and states: "Generous discounts increase your profit margin." Polish ham is sold as it is cut from the joint. Most ham sold in Britain from western producers is either made from compressed chopped meat or is injected with water.

Mr Kosmider said that the EEC tax made Polish ham one of the most expensive in Britain. "The Polish Government did negotiate with Brussels, but we never got to hear of any result."

Czechoslovakia exhibited at the show for the first time. Its long list of goods in the catalogue included horses and feathers as well as poultry, sweets, wines, beer and spirits. A large Hungarian pavilion displayed frozen vegetables with the unexpected brand name of Royal Crown.

Girl's £28,000 damages

Kerrie Farrell, aged six, of Salting Road, Snodland, Kent, was awarded £28,000 in damages in the High Court yesterday for injuries suffered in a road accident in May, 1977.

Jail escape plot 'daring', jury told

By Richard Ford

A helicopter was to be used in a daring plot to free a man while he was exercising in Brixton Prison, a judge alleged yesterday when seven people, including the prisoner, appeared on a conspiracy charge.

The helicopter would have flown the prisoner to a London park, from where he and his rescuers were to escape to a country house and the low, it. The plan was said to have been alleged.

The prisoner, Brian Keenan, aged 39, and the other defendants all deny conspiring between March 25 and December 13, 1979, to effect his escape.

The other defendants are Robert Campbell, aged 38, of Holland Park, west London; Margaret Farrar, aged 34, of Southgate, north London; Jacqueline O'Malley, aged 31, of Merton Hill, west London; Richard Glenholmes, aged 47, of Holland Park; Christine Keenan, aged 44, of Northera Ireland; and Robert Storey, aged 24, of Holland Park.

Mr Campbell, Mr Glenholmes and Mr Storey also deny three charges of possessing firearms. "There had been comings and goings at addresses in different parts of London, apparent subterfuge, the use of false names and addresses and changing appearances," Mr David Jeffreys, for the prosecution, said.

A trial run of the attempt to rescue Mr Keenan was being prepared at the time police raided a flat in Holland Park, and arrested four men. False names had been used to rent the flat and hire a helicopter.

When police entered the flat in December, 1979, they found a loaded automatic Browning-type Belgian pistol, and, wrapped in a shirt, an "extremely good plan" of Brixton Prison, the jury was told.

It had been drawn by Mr Keenan, who was held in D-wing.

Also found in the flat were a seaman's pass and details of country houses and addresses which the prosecution alleges were being investigated as potential refuges for Mr Keenan and his rescuers.

There was a list which mentioned getting a book on birds, alleged to be a code for helicopter.

The case continues today.

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Chia-Chia, London Zoo's giant panda, with Miss Jacqueline Walker, a British Airways stewardess, before leaving for Heathrow yesterday. He flies to the United States tomorrow, where it is hoped he will mate with Ling-Ling, Washington Zoo's female.

Strike about pens halts bus service

From Our Correspondent

An unofficial strike by bus drivers who objected to using their own pens to fill out forms stopped services on 25 routes in St Helens, Merseyside, yesterday.

A hundred drivers employed by the Merseyside Passenger Transport Authority bus service at St Helens walked out. They had said they would no longer use their own pens to fill in forms and would stop work if their employers did not supply pens.

When the crews reported for work yesterday they found that the company had supplied pens. But the men then refused to use them and stopped work. It was the latest in a series of industrial actions in the municipal bus services on Merseyside.

Minister told of health risk in illicit horsemeat trade

By Our Agriculture Correspondent

Eight local authorities called on the Government yesterday to stop the trade in horsemeat which is sold at beef. Councillor Eric Huxon, chairman of the environmental services committee of the London borough of Hammersmith and Fulham, said that animal diseases might infect humans if the trade in meat was not stopped.

He said after a meeting with Lord Ffrench, Minister of State for Agriculture, Fisheries and Food, that the eight councils had "uncovered widespread evidence of illicit trade".

Union power criticized at hearing

Individual workers must be protected against trade union power, a hearing in Strasbourg of the European Convention on Human Rights by not upholding their freedom of thought, conscience and religion, freedom of expression and freedom of association.

They were dismissed five years ago for refusing to join trade unions after a closed shop agreement was made between the railway unions and British Rail. Mr Webster had worked for British Rail for 18 years.

The government and the TUC will be putting their views to the court's 21 judges. Outlining the commission's case, Mr Frowein said it would be difficult to argue that the human rights convention was violated by the mere existence of closed shop agreements as they existed in the United Kingdom. However, it was quite a different matter to accept the dismissal of employees who had worked in an organization for

a long time before closed shop legislation was introduced. He claimed that was not the general practice in Britain, and pointed out that almost two thirds of closed shop agreements in force in the United Kingdom placed no obligation on existing non-members to join a union.

"Trade unions may be among the most important institutions for the preservation of a free democratic society as it exists in our states," it was certainly in line with the human rights convention if trade unions were by legislation being protected to mask their position "as trustees of the workers".

The men's case is being backed by the Freedom Association. Mr Norris McWhirter, the Association's vice-chairman, said in Strasbourg yesterday: "This is a test case of immense importance because 6,500,000 people in Britain are now in closed shops, and 81 per cent of them want that system dismantled, according to polls".

His staff are coordinating "Operation Meatbook", a national campaign by health officers to trace sources of meat illegally sold.

Lord Ffrench was told of "widespread evidence" of the "unknown consequences of this practice on public health". The minister said he would give "urgent and careful attention" to the council's appeal. It may force the Government to review the working of the Food and Drugs Act.

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Rail chief's plea for £1,000m extra grant

By Michael Bailey
Transport Correspondent

Travellers on commuter rail services in London and the South-east faced a bleak decade unless the present financial restraints, £90m a year investment and £150m a year in grants, were raised, Sir Peter Parker, chairman of British Rail, told the House of Commons Transport Committee yesterday.

One inevitable consequence would be a contraction in peak hour services resulting in even more overcrowded trains. That could be accompanied by much higher fares, more cancellations and reduced punctuality as equipment wore out, increased road congestion and accidents, and long-term damage to London as a financial and tourist centre.

There was no way the London commuter services, carrying 500,000 passengers a day over 2,000 miles of track, could be made profitable. "If you want a megalopolis like London you have simply got to face the fact that like other major cities in Europe you have to make a contract payment to run it."

British Rail wanted an extra

£1,000m investment over the next decade, of which £250m would go on completing electrification and modern signalling, £200m on new rolling stock, £200m on new stations, interchange, and communications, and £250m on more one-man operation.

Stations stay open: British Rail has bowed to pressure from the Greater London Council and amended its plan for cuts in June by keeping nine London suburban stations open later in the evenings and abandoning plans to close 15 on Sundays (the Press Association reports).

Amersley and Lee stations will stay open until 10 pm on weekdays. Both stations, together with Bickley, Shortlands, Eltham Park, Lower Sydenham, New Beckenham, Elstead Woods and West Dulwich, will stay open until 10 pm on Saturdays.

Albany Park, Elstead Woods, Lower Sydenham, New Beckenham, West Dulwich, Shortlands, Westcombe Park, Lee and Bickley, proposed for closure on Sundays, will be kept open. The six stations on the Hounslow loop service will have a limited service for 12 hours on Sundays.

Wisley inquiry told of air traffic hazards

By John Young
Planning Reporter

A public inquiry into the proposed reopening of Wisley airfield, Surrey, for general aviation was not competent to consider necessary changes in the air traffic systems affecting Heathrow and Gatwick airports, the inquiry was told at Guildford yesterday.

Mr Harry Zeffer, an aeronautical engineer and a former director of the British Aircraft Corporation's civil aircraft division, said at the start of the seventh week of the inquiry that such difficulties might take more than a year to resolve.

Mr Zeffer, who was giving evidence on behalf of the Stop

Wisley Airport residents' group, pointed out that Wisley lay in an uncontrolled corridor between London and Gatwick. The corridor had a maximum altitude of 2,500 feet, above which the airspace was controlled and used by passenger-carrying aircraft.

The inquiry proceedings had established that no precise knowledge existed of the traffic using the corridor. The safety of Wisley operations depended on that knowledge.

Because of the lack of information, and the uncertainty about future implications, the appeal by Jenstale Ltd against the refusal of planning permission by Guildford Borough Council should be dismissed, Mr Zeffer said.

'Exceptional year' gives first LBC dividend

By a Staff Reporter

After a shaky start in 1973, the London Broadcasting Company, Britain's first commercial radio station, is to pay its first dividend on an after-tax surplus of more than £1.28m.

In its report to shareholders yesterday the board recommends a dividend of 30p on preferred ordinary shares and 0.27p on ordinary shares.

The station has been in profit for the last four years, topping the £500,000 mark in 1978-79. It claims an audience of nearly 6,400,000.

Sir Geoffrey Cox, aged 70, the chairman, is to retire at the end of March and will be succeeded by Mr Christopher Chataway, who was ITN's first newsreader. Mr Chataway, as Minister of Posts and Communications, launched the company's commercial radio network.

Sir Geoffrey said yesterday that last year's exceptional figures, which included an advertising windfall during the independent television strike, would not be repeated this year. Unaudited figures for the first three months showed a fall of £563,000 compared with the same period in the last financial year.

But the board was confident that that would leave the company with sufficient resources to buttress itself against the difficulties independent radio had faced in recent months.

Shortly after it began broadcasting, LBC ran into financial and staffing difficulties and in 1975 had to be bailed out by the Independent Broadcasting Authority.

But the latest independent research gives a listening figure 16 per cent greater than the audience for BBC Radio 4, and nearly three times that of Radio London.

Classrooms blaze

Three hundred children at Forest comprehensive school, Walsall, West Midlands, were sent home yesterday after a fire swept through a classroom wing. A faulty heater was the suspected cause.

A NEW NAME IN THE BARCLAYS GROUP - WITH TWENTY YEARS' EXPERIENCE OF HELPING BRITISH EXPORTERS

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between the unions and the Government are planned.

In another troubled area of the public sector, water and sewerage workers in the North-east last night called off their dogs against the Government's initiative of the industry's dominant union met in London and endorsed their negotiators' acceptance of the 13 per cent pay offer.

Members of the General and Municipal Workers Union, which has about 20,000 members in the industry, also advised their members taking unofficial action to return to work.

Last night about 200 workers in Newcastle, who support the unofficial strike, and smaller groups in various parts of England and Wales were working to rule or banning overtime.

Mr Ronald Keating, assistant general secretary of the National Union of Public Employees, which is the other main union in the industry, said last night that he would "not put any money" on his 10,000 members accepting the offer.

Workers rejecting the offer have been urged by national union officials that the only alternative is a damaging national strike.

Letters, page 17

and Lohrno to meet

By Our Labour Staff

National Union of Journalists' representatives at *The Observer* are expected to meet Lohrno today after a meeting of their members yesterday which voted to save the company's rights to buy the paper being referred to the Monopolies Commission.

In a day-long meeting attended by about 60 members, the NUJ chapel also approved a number of safeguards about to be put to the company's negotiators with Lohrno, aimed at preserving the editorial independence of *The Observer* under new ownership.

The chapel proposed that an independent Observer Trust should be set up to take over the paper.

could be solely or partly financed by Lonrho and "the responsibility of which would be to protect the traditional character of the paper".

Other safeguards discussed by the committee, in order to include a clause stating that it would be the editor's sole right to determine the editorial content of the paper; some say for the journalists in the choice of editor; and possible representation of journalists at board level.

On the proposal to submit the provisional agreement between Lonrho and Atlantic Richfield, the present owners, to a monopoly commission investigation, Mr Jonathan Hunt, the father (chairman) of the NUJ chapel,

Mr. Paul Spicer, a Lonrho director, said last night that he believed the question of editorial safeguards "would not be a problem."

Mr Spicer said he "noted" that both *The Times* and *Sunday Times* NUJ chapels had called for a reference to the Monopolies Commission of the conditional agreement entered into by the News International to buy the paper. He said of *The Observer* NUJ decision: "It has not come as a surprise."

He declined to comment on

suggestions that the conditional agreement between Atlantic Richfield and Lorrho is being restructured in such a way as to reduce the planned Arco holding in Outram's, the Lorrho subsidiary which controls The Glasgow Herald.

Letters, page 17

Yorkshire mo block voting s

From Ronald Kershaw
Leeds

A call for an end to the trade union block voting system and its replacement by what is said to be a more democratic method of voting will be made at the annual conference of the Yorkshire

as work inc

He proposes a total reform of the tax system, with thresholds set above supplementary benefit levels; tax rates varying from 15 to 50 per cent; abolition of the employees' national insurance contribution, and all income to be taxable.

Police may ask Home Secretary to prohibit demonstration amid fears of racist explosion

National Front advised to drop march past fire death house

were 23 arrests and 17 policemen were injured. Sadie Mr David Lane, chairman of Commission for Racial Equality, because of the breakdown of violence.

The protest showed depth of feeling among blacks about racist attacks and need for firm action against those who perpetrated them, he said.

Black leaders saw the march as a great success and said they were disgusted by yesterday's coverage in the press.

Banner headlines, page

Backbenchers endorse Hayward demand to Social Democrats

In a letter to Tory MPs, constituency chairmen and aged declared that the manifesto objectives of the Government had not changed. In the *Jarvis*, he said:

"In politics it is the direction that you take that matters."

Mrs Margaret Thatcher told us to govern in the interests of the people. I have inherited comments to public spending, vast public sector and the its union policy of public mo policies," "not some imagin economists or dogmatic pol cal theories." ... were mo by the power of the mine Nothing would have pleased t militants more than to see t nation plunge into a strike.

Connections severed: I met Norman Rodgers, Secretary General and Municipal Works Union on Monday that he w resigning from their panel sponsored MPs.

Constituency defections: S members of the Newcastle East constituency Labour Party ha joined their MP, Mr Mil Thomas, and quit the par

Commons steps today to take note of new group

Campus drive to win support for new party

By Michael Horswell

A campaign to persuade the 1,250,000 members of the various Liberal National Union of Students to support the social democratic cause was launched yesterday, amid early signs of strong campus support.

The aim of the Student Campaign for Realignment is to bring together the Liberal, Labour and Conservative Societies in an agreed electoral alliance by the next general election.

The campaign was launched by Mr Ian Wright, President of Cambridge Students' Union and a signatory of the Times Higher Education Supplement's plea for the Labour Party last weekend, and Miss Becky Bryan, immediate past chairman of the Union of Liberal Students.

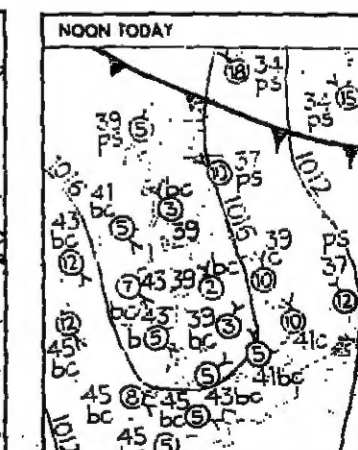
They have also written to all presidents of students' unions calling for support, which drew an immediate response from Mr Bryson, union president at York University.

Dinner meeting with Liberals played down

Mr Beith said: "This is not the start of regular meetings between us, but it was a social occasion and very informal".

He refused to answer further questions, saying that he had to rush back to the House of Commons. Mr Smith also refused to discuss the meeting.

Weather forecast and recordings



MPs angered by minister's Ulster statement

Miss Rosemary Ludgate, aged 23, (in dark glasses), moving from second place to first in the pancake race in Olney, Buckinghamshire, yesterday. She finished the 415-yard course in 62 seconds, against 65 seconds by Mrs Gillian Brewer, aged 32, who won the linked pancake race in Liberal, Kansas.

ve to end the

that it was not in keeping with his constitutional responsibilities to peddle the doctrine of unilateral disarmament.

He challenged Mr Foot to do that he voted against Trident on the basis of the full knowledge that were doing so he would be making it easier for the Government to continue to build up the Polaris and would not send cruise missiles back without having put them first in the form of multilateral negotiations.

But, while challenging Labour's indecisiveness on arms policy, Dr Owen told the House that he would vote against the decision of the Government to go ahead with Trident.

With the Social Democrats voting with the Opposition, the Government endorsing the Government's position.

defeated by the block votes.

entive

strategic nuclear deterrent and the choice of the Trident missile system as the successor to the Polaris force was carried by 240 votes to 249, a majority of 68.

Parliamentary report, page 8

Duke's view of the recession

The Duke of Edinburgh, opening a careers exhibition at Kelvin Hall, Glasgow, yesterday, said that the recession might provide the stimulus necessary for everybody to rethink how people are trained for work.

No single group was to blame for the recession, he said, but he called for wide-ranging changes in attitudes towards work and vocational training and, in passing, criticized legislation which he said discouraged, rather than encouraged,

Duke's view of the recession

[illegible]

Today

	Sun rises : 6.40 am	Sun sets : 5.46 pm
	Moon rises : 11.45 am	Moon sets : 11.45 pm

Borders, Edinburgh, Dundee
 Moray Firth, NE Scotland, Orkney
 Shetland : Occasional wind
 shifts; wind light to strong
 at sea; maximum temp 4° or 5°
 (40° to 41°E).

Central Islands, SW England
 S Wales, Mostly dry, but
 intervals, perhaps mist patches
 first wind NE, later S, light
 maximum temp 6° to 8°C (43°
 to 46°F).

Central Highlands, NW Scotland
 Occasional wintry showers
 with drizzle, wind light to
 light; maximum temp 5° or 6°
 (41° to 43°F).

Outlook for tomorrow
 Friday: Mostly dry and rather
 cold at first; rain reaching S
 tomorrow, will extend
 much to Britain
 covered by sleet or snow in places
 in NW Scotland; becoming
 milder in S.

Sea passages: S North Sea
 Straits of Dover: Wind
 strong, fresh, increasing
 with height; sea moderate, becoming
 high.

English Channel (E) : Wind NW

[illegible]

L. Palmas	C	1	Nice	12
L. Lapon	f	15	Oslo	7
L. London	C	12	Paris	13
L. Luxembourg	C	5	Reims	1
L. Madrid	f	14	S. Francisco	12
L. Malacca	f	16	Stockholm	1
L. Malaga	f	17	Tel Aviv	1
L. Manila	f	26	Toronto	1
L. Miami	f	26	Vancouver	7
L. Montreal	f	9	V. New	1
L. Moscow	C	8	V. New	1

b-blue; sk-- to-half clouded; r-
clouds; o-overcast; f-fog; d-dim
h-hail; m-mist; r-rain; s-snow
H-hurricane; S-showers; ps-
periodical rain with snow. Wind speed
in mph.

1,951	Saudi Arabia	SR	4.00
Singapore	S\$	100	1.00
5.00	Switzerland	Sfr	100
LS 3.50	Tunisia	Din	100
Canada	\$	100	1.00
Yugoslavia	Din	100	1.00

WEST EUROPE

M Giscard tries to win back the conservative voters who were upset by his past liberalism

From Charles Hargrove Paris, March 3

In 1974, M Giscard d'Estaing achieved the remarkable feat of winning his fellow countrymen that he was a new man, if he became President, he would carry out new and bold ideas, in spite of the fact that he had been Finance Minister for 11 years.

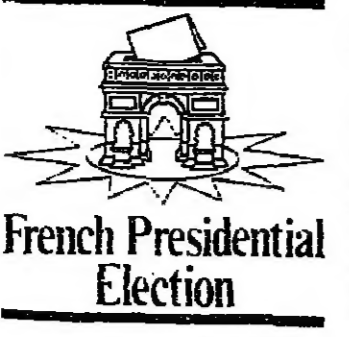
In 1981, after being in almost divided power for seven years, it will clearly be much more difficult for him to beat this psychological tour-de-force, and convince Frenchmen that they should return to a "new" seven-year term, save in a strictly chronological sense.

But he still has an edge on François Mitterrand, the socialist leader who has been an unsuccessful opposition candidate for 16 years, and whose political career stretches back to the remote past of the fourth Republic.

M Jacques Chirac, the rightist candidate, found a long argument a couple of weeks ago when he told the electorate that they deserved to be faced with the same choice as seven years ago.

The President knows this too well. There was a difference in his announcement of his candidature yesterday to the new era of French politics, with which he began his mandate in 1974, or to the top of the sweeping change which he was about to introduce, else his listeners would have been tempted to ask why he had not done so in the past seven years.

Rightly or wrongly he has come to the conclusion that in these times of crisis, what the average Frenchman wants is



French Presidential Election

not change but stability and security.

He declared yesterday in terms reminiscent of General de Gaulle, that of the candidates of the majority only he could give stability to them (it was his only indirect reference to M Chirac), and that the victory of the left next May would mean disaster and ruin for the country.

The deliberate right turn is perhaps only tactical. The object is to win back those conservative and Gaullist voters who put him into power the first time, less to reform French society than to keep out the left, and were discouraged by the strong liberal wind which blew during his first years in office.

The newspaper *Quotidien* writes today: "Of change, there is no more question; nor of reform. The object is to conserve. It is a sign of the times: it is probably the whole of France which has turned to the right."

Les Dernières Nouvelles d'Alsace says: "He is conscious of the fact that he must respond henceforth, not to a desire for innovation, but to the deep yearning of a great number of

Frenchmen to be reassured". If the Paris Bourse is any guide, he struck the right chord.

That is why yesterday he brushed aside the first ballot, ignored M Chirac, concentrated exclusively on the second round, which, in all likelihood, will build down once again to a duel with the left, and directed the full force of his unusual pugnacity against his only real opponent, the Socialist leader, without once mentioning him by name.

He reminded his audience that M Mitterrand bore the mark of Cain: he had voted against the constitution of the Fifth Republic, and had always been opposed to its institutions, even if this is no longer true today.

"The mark of liberalism has fallen is the almost unanimous outcry of the left. In any real democracy, Giscard would be swept away, because he would be judged by results", M Lionel Jospin, the first secretary of the Socialist Party, declared on the radio.

As for M Georges Marchais, the communist leader, he insisted once again that he alone was the only real anti-Giscard candidate, and the candidate of change. He said: "For seven years, M Giscard d'Estaing has turned the presidency into a devoted and loyal auxiliary of big capital... He is now a candidate to continue and aggravate this policy. Well, No!"

Bookmakers' choice: Ladbrokes opened their book on the French presidential election and have installed President Giscard d'Estaing's favourite at 4-5 with M Mitterrand priced at evens. Any other candidate is 33-1.

Russia urges mutual concessions

From Harry Debellus Madrid, March 3

Mr Leonid Ilyichev, the Soviet Deputy Foreign Minister, confirmed here today that his government was willing to consider the inclusion of all Soviet territory west of the Urals in the area in which significant military activities should be restricted to other Helsinki Accord nations as a "confidence-building measure".

His remarks, made at a news conference on Madrid on his return to the European security conference to which he is the chief Soviet delegate, echoed the speech delivered at the Soviet Communist Party congress by President Brezhnev which had aroused considerable interest.

Mr Ilyichev suggested, however, that any agreement regarding the territorial scope of "confidence-building measures" would probably have to be sought at a disarmament conference held separately from the present conference here.

Speaking in guarded language, Mr Ilyichev said: "Taking into account the importance and the scale of new confidence-building measures which we hope will be elaborated at the con-

ference on military détente and disarmament, the Soviet delegation does not preclude the possibility of adopting the political obligation to implement some of them."

Asked to clarify whether that means that Moscow would consider the amplification and strengthening of the confidence-building measures which form part of the Helsinki Final Act, during the Madrid conference, or whether it would put off any such consideration for some future disarmament conference, he replied:

"The Soviet delegation is willing to consider certain confidence-building measures at the Madrid meeting, but some confidence-building measures will be the subject of discussion at some future conference."

He made it plain that the Soviet Union expected concessions from the West if it was to go along with anything like a French-sponsored proposal to extend the area of applicability of such measures as far as the Urals.

He spoke at another point of Europe being more than "a geographical concept". Later he also emphasized that the measures should be applicable

in the same degree to all the other signatories of the Helsinki Accords of 1975.

Since the United States is a signatory of the Helsinki agreement but, unlike the other nations, it is not European, those remarks suggested that Moscow might ask to include either continental American territory or the Atlantic in the area to be covered by the measures, in reciprocity for accepting their extension to the Urals.

On the matter of military security and disarmament, there are two main proposals at the Madrid conference. One, submitted by France and backed by Western nations, calls for specific agreements on certain obligatory confidence-building measures, covering all significant military operations from the Atlantic to the Urals, as a prior step before the calling of any further conference on security or disarmament.

A Polish proposal, backed by the Warsaw Pact nations, calls for a two-phase post-Madrid conference, the first phase for the purpose of discussing confidence-building proposals and the second phase to deal with disarmament.

Sharp Berlinguer attack on Russian policy

From Our Own Correspondent Rome, March 3

The denunciation by Signor Enrico Berlinguer, the Italian Communist leader, of Soviet policy in Afghanistan and Poland as "inconceivable for us and absurd" is regarded as the sharpest criticism he has so far made of Russian policy.

It had an unusual edge because he was talking yesterday without a prepared text to a group of anti-air shipyard workers in Genoa. He was on delicate ground because there are still members of the party who fail to understand the quarrel with Moscow. This has been accentuated by Signor Berlinguer's decision not to attend the Soviet party congress and the Soviet decision not to allow Signor Giancarlo Pajetta, the leader of the Italian delegation, to address the congress itself.

The refusal of the Russians to give Signor Pajetta the congress podium to speak from, Signor Berlinguer told the Genoa workers, "incomprehensible".

Applause greeted a statement from an elderly worker who told the meeting not to forget that the Soviet Union was "the country which has fought most for the liberty of oppressed peoples".

Huge cost increases jeopardize other projects Tornado wrecks Bonn defence plan

From Patricia Clough Bonn, March 3

The West German Minister of Defence and the country's leading generals today started a three-day reappraisal of the Bundeswehr's armaments programme which has been thrown into disarray by the soaring cost of the Tornado aircraft project.

The results of the meeting, one expert predicted, will be "a walling and gnashing of teeth". Highly sophisticated and expensive weapons planned for the next decade—new aircraft, anti-aircraft systems and tanks—are likely to be scrapped or postponed.

The defence chiefs face a huge and complex problem: whether and how, with its present budget and soaring costs, West Germany can fulfil its defence commitment within the alliance.

The review was forced on them by the enormous increases in the cost of the Tornado multi-role combat aircraft which West Germany is building jointly with Britain and Italy.

Originally estimated to cost DM15m (£3.2m) each the 322 Tornados wanted by the Bundeswehr are now said to cost DM70m which will make it

the most expensive aircraft ever produced. The costs are still rising.

Costs outstripped budget estimates in 1980 and 1981 by DM1,300m and a shortfall of DM818m is expected for 1982.

By 1984 the Tornado will have turned into a super-sonic monster devouring between 25 and 30 per cent of West Germany's defence budget.

The Bundestag defence committee has decided to find out how it happened. It begins investigations on March 19 by questioning Herr Hans Apel, who as Defence Minister is officially responsible.

The opposition charges that Herr Apel was told of the Tornado cost problems a year ago and ignored them, although he says he was only put in the picture in November. But Herr Apel inherited the project itself from his predecessors, one of whom was the Chancellor who, aware of the problems involved, has come to his defence.

Despite much criticism, it appears unlikely that Herr Apel will fall, although his political career—he was once considered a potential successor to the Chancellor—now looks less promising.

The committee may well

come to the conclusion already reached by many commentators here: that real problems lie in the wholly unmanageable size and complexity of a technological enterprise like the Tornado.

The military, who have to lay down specifications, and parliamentarians who have to approve projects and act as watchdogs, are poorly equipped to supervise such a massive international operation involving directly or indirectly, 500 firms.

Herr Apel, who is aware of the problems, last week appointed an adviser from industry—Herr Manfred Ehmcke, experienced in putting sailing firms back on their feet—to provide the expertise.

Sacrifices will be expected from all three armed forces. Among the projects reported likely to be dropped or delayed is a tactical fighter aircraft planned jointly with Britain and France.

Napoleon, a Franco-German tank due to succeed the German Leopard 2 in the 1990s and the anti-aircraft tank Roland, designed to give ground protection to Tornado bases, may also have to go.

Libya courts a reluctant France

From Charles Hargrove Paris, March 3

On the day the Quai d'Orsay confirmed the French decision not to deliver to Libya the first of the 10 gunboats it ordered four years ago, Colonel Gaddafi, the Libyan leader, repeated his wish to restore good relations with France.

He proposed in a speech at Sebha today, a high-level meeting to discuss African problems. "We did not wish a clash with Paris", he said, "it is Paris which is attacking us". He said Libya was impatient for the situation in Chad to return to normal, so that it could withdraw its troops.

But he insisted that the security of Chad and Libya was "indivisible". However, Colonel Gaddafi really wants to improve relations with Paris he will have to withdraw his troops first, informed sources say.

The decision of the Government to postpone delivery of the first gunboat is another clear indication of its dis-

approval of Libyan intervention in Chad. A month ago, it suspended putting into force five oil exploration contracts negotiated by the national Elf-Aquitaine Oil Company with the Libyan Government.

The first gunboat was to have been delivered last month. Along with two others already completed, it is moored under heavy guard in the naval dockyard of Lorient. A dockyard spokesman said that Libyan crews had not taken part in the final tests.

The contract for the gunboats, worth 3,000m francs (about £27.15m) was signed in 1977 and the first of the series was launched in June 1979. Five have been built, the other two being at Cherbourg where the remaining five are under construction.

One of the Cherbourg gunboats was launched on January 14, watched by a large Libyan delegation—but that was before relations between Paris and Tripoli soured over Chad.

The vessels are each about 150ft long and have a displacement of 70 tonnes. They are fitted with four diesel engines of 4,500hp and have a top speed of 40 knots. Armament consists of four missile launchers, a 76mm gun, and a twin-turret of 90mm guns.

Similar gunboats have already been delivered by France to the Greek, Nigerian, Argentine and Iranian navies.

Three of those ordered by Iran are being held, pending the settlement of French financial claims against the Iranian Government concerning deals during the Shah's reign notably the delivery of nuclear power stations.

There are 100 Libyan sailors in Cherbourg, presumably waiting to train on the gunboats. But they have not been allowed on board. Libyan pilots are also training on helicopters produced near Marseilles since Tripoli has also expressed interest in French helicopters.

Gunmen hold 28 hostage in bank robbery

From Our Own Correspondent Bonn, March 3

Two bank raiders today got away with DMBSm (£633,000) in one of Germany's biggest robberies after holding 28 people hostage for 14 hours during Heidelberg's carnival festivities.

While people celebrated Rosenmontag yesterday the gunmen forced their way into the house of a local bank manager, Herr Gerhard Schreiter, and took his wife and teenage children hostage.

One guarded the family and the other made Herr Schreiter drive him to the homes of three other bank staff who between them had the keys to the vaults. Brandishing his gun he forced them, their families and visitors to go to Herr Schreiter's house.

On the way the gunmen then took the four officials to the bank and made them hand over the money from the safes. They returned to Herr Schreiter's house

OVERSEAS



British trade unionists gather outside South Africa House for an anti-apartheid demonstration yesterday with banners calling for the release of Mr Oscar Mpetha.

Blacks on march in Cape Town

From Nicholas Ashford Johannesburg, March 3

Riot police were sent to the black township of Gugulethu, outside Cape Town, today after black school children staged a demonstration in protest against the detention of Mr Oupa Lulehule and Mr Kent Mkalipi, members of their students representative council.

The two men were among a group of student leaders detained during last year's boycott and held for months without trial. The two were acquitted last month after their case had been heard in the nearby town of Worcester.

Both events were connected with the black school and bus boycotts in the Cape Peninsula last year. Civic leaders were concerned that today's protest could mark the beginning of new unrest.

The demonstration took place outside Ferekah high school which was at the centre of last year's schools boycott. Students, who were dispersed without violence by the police, were protesting against the detention of Mr Oupa Lulehule and Mr Kent Mkalipi, members of their students representative council.

The two men were among a group of student leaders detained during last year's boycott and held for months without trial. The two were acquitted last month after their case had been heard in the nearby town of Worcester.

Both events were connected with the black school and bus boycotts in the Cape Peninsula last year. Civic leaders were concerned that today's protest could mark the beginning of new unrest.

UN ban strengthens Pretoria bias claim

From Our Own Correspondent Johannesburg, March 3

The South African Government has reacted with predictable indignation to last night's expulsion of the South African representative from the United Nations General Assembly.

Mr Peter Botha, the Prime Minister, and Mr R. F. Botha, the Foreign Minister, held talks today to decide what steps should be taken in the light of the United Nations' action.

Later the Foreign Minister issued a statement denouncing

the United Nations' move as being "politically inspired" and an "unpardonable disregard" of the General Assembly's rules of procedure.

There can be little doubt that the General Assembly, in refusing to allow South Africa to state its case over Namibia, has played into South Africa's hands.

The whole thrust of South Africa's argument against the implementation of the United Nations settlement plan for Namibia is that the world body is biased in favour of the South-

S African raiders outwitted Machel men

From Ray Kennedy Komatipoort, Eastern Transvaal, March 3

Mozambican troops were completely deceived by the South African Army task force that struck across the border here at the end of January and destroyed a base of the outlawed African National Congress (ANC) at Matola on the outskirts of Maputo, the capital.

One Mozambican soldier is said to have clambered into the leading South African truck to direct the task force to its target after the driver pulled up and called out in Portuguese. But according to farmers here, who vividly watched the preparations for the raid, it appears that the Mozambican Frelimo troops were completely outwitted.

The South African column consisted of 11 lorries painted in drab Frelimo colours.

It appears that the column crossed where the border is defined only by a fence originally erected to control the spread of foot and mouth disease.

The farmers said that throughout the period of the attack, a South African Air Force DC3, the venerable but reliable Dakota, circled the Komatipoort area. It seemed to be an airborne command post which was in constant touch with the ground forces.

Zimbabwe hunt for men who murdered farmer

From Our Correspondent Salisbury, March 3

Paramilitary police are hunting the area north of Bulawayo for two dissident former guerrillas who shot dead a farmer yesterday.

The men, believed to be former members of Mr Joshua Nkomo's Zimpro force, approached the farm of Mr Richard Bawden, aged 55, at Bubi, about 20 miles north of the city. While they were speaking to the farmer and his wife one of the men was bitten by a dog. They opened fire killing both Mr Bawden and the dog.

Remploy is living proof that there's a place in industry for severely disabled people.

For most of us, it's hard to imagine severely disabled people actually working for their living. But if you think about it for a moment, there's no reason why it should be otherwise.

Severely disabled people are no different from the rest of us. They have the same hopes and aspirations. And much the same abilities.

So really, it's only their individual handicaps that keep them outside the normal run of industry.

Fortunately, Remploy exists to bridge the gap. To give severely disabled people, handicaps and all, the opportunity to put their talents to work.

But make no mistake, Remploy is a business. It's not a charity. And neither would its 8,300 severely disabled employees want it to be one.

So while it provides special training and has its own special brand of management, in almost every other respect, it's just like any other major industrial company.

In its 89 factories, in communities



all over the country, it's producing more than 150 products and services, many of which are vital to other industries.

And last year alone, in direct competition with rivals who employ almost entirely fit people, it achieved sales of 33 million pounds.

To us, that's proof, if proof were needed, not only that there's a place in industry for severely disabled people—but that by their own efforts, they've earned it.

Remploy

Britain's biggest employer of severely disabled people is part of the International Year of Disabled People.

1981

Pregnant girl shot in siege used as 'sandbag', QC alleges

From Arthur Osman
Birmingham

A man accused of murdering a girl aged 16 who was pregnant by him renounced with counsel for the prosecution when his trial opened at Birmingham Crown Court yesterday. He said he objected to the statement that he held her as a "sandbag" to absorb police gunfire.

David Keith Pagett, aged 31, a labourer, of Dealands Road, Rubery, Birmingham, told Mr Justice Park and Mr Douglas Draycott, QC for the prosecution: "I object to the continuous use of this word 'sandbag' which is quite unnecessary. I apologise for this disturbance, but it is totally unnecessary to use 'sandbag'—she was a person."

The judge told him he must control himself or he would be taken from the dock.

Mr Pagett denies murdering Miss Gail Kinchin, who died last July; attempting to murder Mr James Wood, her stepfather; attempting to murder Detective Sergeant Thomas Sarrain and Detective Constable Gerald Richards; unlawfully carrying away Miss Kinchin and her mother Mrs Josephine Wood, against their will; possessing a firearm with intent to endanger life; and wounding with a shotgun to cause grievous bodily harm.

Mr Draycott said that before last June Mr Pagett had been living with Miss Kinchin. They were unmarried and she was heavily pregnant by him. Because of his violence towards her and parental persuasion, she left him and returned to live with her mother and stepfather.

On June 11 Mr Pagett acquired an over-and-under shotgun, cartridges, a Mini-car and a bottle of brandy. He attempted to trace the girl and arrived late at night at her parents' home in Brandwood Park Road, King's Heath, Birmingham. He was carrying the loaded gun and Mr Wood opened the door when he knocked, slammed it and ran out of the back door with his wife. Mr Pagett smashed the glass in the front door, got in and pursued them.

He aimed the gun at Mr Wood, but Mrs Wood knocked it up and the shot went into an upstairs bedroom. He fired again from 14 feet at Mr Wood, who was climbing over a garden fence; 100 pellets hit him in the leg and he collapsed.

Mrs Wood started to fight with Mr Pagett, who attacked her, demanding to know where

her daughter was. He dragged her to the car and drove off, holding the gun. They arrived at a house in Northfield, Birmingham, and he compelled Miss Kinchin to go downstairs with him.

The police began to follow the car. At one point it stopped and Mr Wood got away. They arrived at Dealands Road, where Mr Pagett had once lived in a flat with Miss Kinchin. Using her as a shield, he entered the flat on the first floor.

Mr Draycott said three pairs of armed police officers began preparing for a siege. Sergeant Sarrain and PC Richards went to the landing by the flat door and Mr Pagett poked out the gun. They told him they were armed. The door opened and they could see he was holding the girl in front of him. Mr Pagett told them to go downstairs but that meant walking past his gun muzzle. He pointed to a window on the landing and told them to jump out but instead they went up to the second floor.

Mr Pagett was on the landing below them. It was obvious that he came forward to shoot it out. Mrs Josephine Wood said: "They are testing me. I will show them."

Mr Draycott continued: "They waited and round the bottom of the stairs came Gail, held in front of Pagett, with the shotgun, which he was about to fire. He was using this girl much as a soldier uses a sandbag. She was there to absorb the shot which would inevitably be returned when he fired."

He fired twice—his was the first shot. It is quite plain that Pagett foresaw what would happen when he fired, otherwise there was no point in holding in front of him this pregnant girl."

His first shot went into the banister rail and ceiling. There was a series of shots from the officers above. He advanced two or three steps and fired again. That shot went over the officers' heads and they fired again. At some stage three bullets hit Miss Kinchin in the chest.

They both fell back and Mr Pagett was found sitting on the floor with the girl on top of him. Miss Kinchin died a month later, on July 11.

Mr Draycott said: "The police officers were acting in the course of their duty. No other course was open to them; they are entitled to defend themselves as you and I are."

The trial continues today.

Community 'must care for old'

By Nicholas Timmins

Care for the elderly must increasingly mean care by the community, the Government says today in a White Paper on the elderly.

With pensions for the old costing more than £11,000m a year, and support and services for them estimated to account for more than a third of expenditure on the social services, the paper makes clear that significant expansion in public spending on the elderly will not be possible.

The primary role of the public services is an enabling one, the White Paper says, providing a framework of support to help people to care for themselves and their families; but the primary sources of support and care are informal and voluntary.

"It is the role of public authorities to sustain and, where necessary, develop, but never to displace such support and care," the White Paper says.

Age Concern commented that the Government must not confuse its responsibility "with a pretence that it can be provided on the cheap by the community."

Growing Older (Cmd 8173, Stationery Office, £4.20).

Pensioners in London lobby today

By Pat Healy
Social Services Correspondent

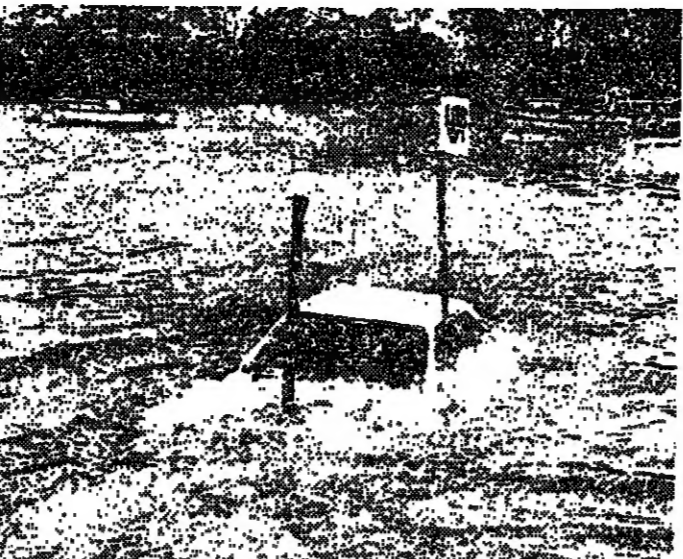
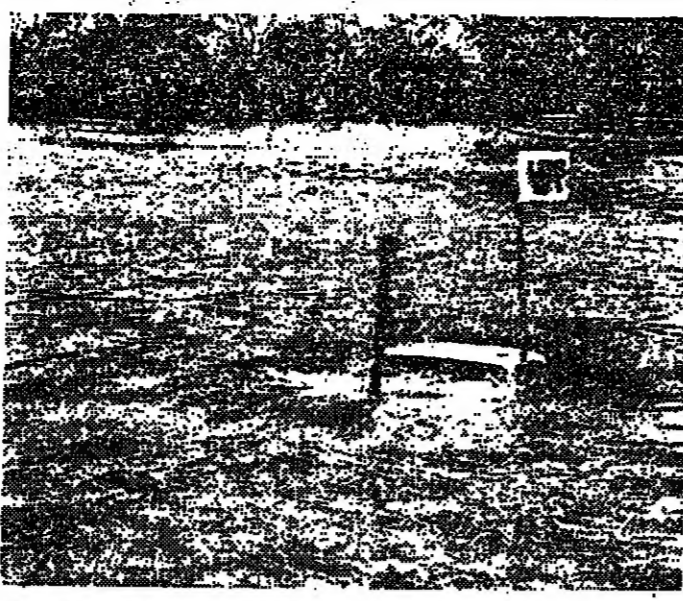
Cochbush of elderly people are to travel to London today to join the "national pensioners' day" event, organized by the Trades Union Congress. They are demanding a 32 per cent increase in the basic pension in November, to raise it to £36 a week, instead of the £30 expected to be announced in the Budget.

About 3,000 pensioners from all over Britain are expected to take part. Delegates will press for higher pensions, more help with fuel bills, better housing for the retired at meetings with Mr Patrick Jenkin, Secretary of State for Social Services, Mr Michael Foot, leader of the Labour Party, and Mr David Steel, the Liberal leader.

The focus of their wide-ranging demands is that pensions should be increased at least to the TUC target of a third of gross average earnings for a single person and half the gross average earnings for a married couple.

That would mean raising the single person's pension to £36 in November and a married couple's to £57.50.

The hearing continues today.



Photographs by John Manning

Trial by water: Not a recommended way of avoiding the Putney Bridge bottleneck, but a demonstration under the Thames yesterday of the protective powers of an all-purpose spray used to coat the electrical equipment of this car before it was submerged and its exposed engine kept running and its lights ablaze beneath the surface (Craig Seton writes). Several times the car was driven six feet under water with a diver at the wheel during the demonstration on the Putney embankment organized by a large British car care chemicals company which is launching the product, LPS 1, on the British market. Its makers claim it chases out moisture, lubricates, penetrates and inhibits rust.

Jury told of Moonies' plan to carry President Nixon

A plan by the Moonie cult to carry President Nixon should be high through Washington at the height of the Watergate scandal was foiled when members were "taken by the scruff of the neck and tossed away by bodyguards," a High Court judge said in London yesterday.

Mr Gary Scharff, a former Moonie, one of an eight-man team chosen to carry Mr Nixon, said the plan was ordered by Mr Sun Myung Moon, the leader of the cult, to give the impression that the President still had a lot of support.

Mr Scharff was giving evidence for the defence in an action by Mr Dennis Orme, the United Kingdom director of the Moonies, against Associated Newspapers over an article in the Daily Mail in May, 1978, which alleged that the Moonies brainwashed converts and broke up families. Libel is denied.

Mr Scharff said he left the Moonies after speaking to former members. "I was given a book to read about Chinese brainwashing methods."

The hearing continues today.

Housing in crisis, 1: Islington hits back at critics of its buying policies

Government blamed for halting progress

No London borough provides more extreme contrasts in housing conditions than Islington. Parts of it have become synonymous with "gentrification" where the middle classes have moved in and transformed decaying terraces into expensive town houses.

Yet until recently Islington had the biggest accommodation shortage of any borough in London and, with Hackney, it still has the highest proportion of buildings classified as unfit.

But since 1972, the housing director, is a genial pipe smoker who commutes to his office each day from Leicester-shire. He neither looks nor sounds like a bureaucrat, as he argues forcefully that the council is being "crucified" by Government policies, and that ministers who argue that so-called profiteering local authorities must learn to be more prudent have failed to grasp the scale of the difficulties.

He concedes that the council "went off at full tilt" in the early 1970s in acquiring almost everything that came on to the market. But he denies that it was multiplicity for the sake of it, or that the larger

New housebuilding is at the lowest peacetime level for more than fifty years. The construction industry, in the words of its leaders, is on its knees, with an estimated 400,000 unemployed, and a housing crisis in the mid-1980s is widely predicted. In four articles John Young looks at the effect of government-imposed spending cuts on public sector housing.

number of council properties now standing empty are the result of misplaced ideology. Between 1972 and 1979 the council had provided more than 7,000 new homes and more than 4,000 renovated ones. Yet there were still nearly 10,000 people on the waiting list and, so far from being allowed to spend money on making its empty properties habitable, from April 1 it would be penalized by losing subsidy on those that remained vacant.

"But for the cuts, we would have a really effective modernization programme under way," he says. "But as it is, we cannot even do any proper forward planning, because we will not know our housing investment programme allocations until about two weeks before the start of the new financial year."

"We have abandoned all new development except what is essential for one small scheme. But we do have two big rehabilitation programmes, where we are carrying out structural alterations on council estates and generally improving the environment. With post-1948 blocks we can do the work while the tenants remain in their homes, but in pre-war buildings we have to decant them, and that means keeping other properties as temporary accommodation."

Mr Hopkins says the council has about 1,100 empty properties, of which about half are being modernized. He is particularly worried about the declining condition of older estates, where basic repairs are needed which will become more expensive the longer they are delayed.

Housing department official point out that empty council properties, an increasing common sight, particularly in the north of the borough, prospective purchasers in surrounding areas.

Mr Hopkins argues that ruling Labour group on council has acted responsibly and has not tried to defy Government. Recently it has for the full 33 per cent increase in council rents recommended by the Department of the Environment. Most council feel that municipalization gone far enough; they favour "social mix" as oppose the unbalanced position in east London boroughs.

But for all the Government emphasis on the need for other alternatives to council housing, only about 70 of the borough's 32,000 tenants have so far applied to buy.

Like many others, Mr Hopkins believes that the effect of the cuts will not be felt for another two or three years.

Rate of housing council has masked the real position. Next year our expenditure will be a third less in real terms, and if this goes on, we heading for disaster."

Next: Manchester, Liver

In brief

'Ignore attacks' plea to English

An appeal to English holiday-makers to ignore attacks on holiday cottages in Wales was made yesterday by Councillor Gwilym Evans, the mayor of Dinffwr, Dyfed.

He was speaking after the fifty-second attack in 15 months, in which an isolated cottage at Llanfynydd, near Carmarthen, was badly damaged.

Sebastian Coe fined

Sebastian Coe, the Olympic gold medal runner, was fined £17 by magistrates at Glossop, Derbyshire, yesterday for driving his car at 56 and 58 mph in a 30 mph zone. The case had been adjourned so that Mr Coe, of Gladstone Avenue, Loughborough, could produce his driving licence.

Broadcaster fined

Mr Macdonald Hastings, aged 72, the author and broadcaster, was arrested for a drink-driving offence shortly after being told that his wife had only a few weeks to live. Basingstoke magistrates heard yesterday. He was fined £100 and banned from driving for a year. Mrs Hastings died last month.

Eye test 'failure'

A woman motorist aged 83 failed an eye test a few minutes after she had knocked down a woman aged 93 as she inquest at Bournemouth heard yesterday. But took another test the next day and passed.

Richmond plan passed

The £20m scheme to redevelop 3.1 acres of land by the Thames at Richmond, Surrey, with offices, shops, houses and entertainment facilities was approved last night by the borough council.

Hiker found on moor

Mr Andrew Milne, aged 23, of Lightwood Road, Buxton, Derbyshire, a hiker who had been missing since last Monday morning on bleak Derbyshire moorland, was found alive near the Staffordshire border yesterday and taken to hospital.

Mint with a goal

The Royal Mint is inviting artists to submit design proposals for the reverse of the new £1 and 20p coins.

Tunncliffe's entire art estate to be sold at auction despite his wish

By Geraldine Norman
Sole Room Correspondent

The entire artistic estate of Tunncliffe, the best known bird and animal artist of this century, is to be sold by Christie's on May 15. The sale runs directly counter to the artist's wishes.

After the exhibition of about 300 of his works at the Royal Academy in 1974 he expressed the wish that his lovingly guarded measured drawings and sketch books should be given to the academy after his death; his special wish, according to his close friend, Mr Kyffin Williams, RA, was that the collection should remain together. Christie's are to disperse it in a 350-lot sale.

The works to be offered are of great ornithological as well as artistic interest. First there are his measured drawings, accurate to within a millimetre, of birds and animals, of which dead specimens were brought to him for study.

They "are most beautifully laid out on sheets of paper in an exciting pattern of the bird's body with details of beak, wing and claw". Mr Williams wrote in an introduction to the 1974 exhibition. Dr Bruce Campbell, the distinguished ornithologist, points to their importance for the study of plumage.

Secondly, there are the sketch books, which record the posture and movement of the birds and animals that Tunncliffe patiently observed around his remote home in Anglesey.

The measured drawings and sketch books were Tunncliffe's reference material for his delicate watercolours and illustrations. Tunncliffe's graphic work is known throughout the world, from his illustrations to Henry Williamson's *Tarka the Otter*.

LSE students occupy room in fee protest

By Our Education Correspondent

Students at the London School of Economics occupied the boardroom yesterday in protest against the proposed increase in fees for overseas students of at least 20 to 25 per cent.

Students at two other London

colleges, University and Queen Mary, are already occupying their administration buildings in a similar protest. A rally to discuss overseas student fees will be held at the university's student union today.

The students say it will be followed by some form of "direct action".

Representatives of National Union of Students Mr Rhodes Boyson, Union Secretary of State for Education and Science, yesterday pressed their claims for a per cent increase in the maintenance grant for home students in the next academic year.



Pilot killed: The pilot of this Piper Cherokee aircraft was killed and his passenger seriously injured when it crashed in Loughton, Essex, yesterday. The pilot was Mr Henry Murray, aged 40, of Abridge, Essex.

BBC enters the market with £200 home microcomputer

By Kenneth Gosling

The BBC announced its entry into the home computer business with details of an agreement with a British company to produce a microcomputer that will sell for £200.

An initial sale of 12,000 is expected and the machine will be available in a series of computer literacy starting on BBC 1 next January.

Mr George Howard, BBC chairman, said last night at Leeds Polytechnic that the system was "highly versatile".

The BBC pointed out that while cheaper home computers have been advertised, one for only £99, the model it would be made under licence by Acorn, Cambridge, would be highly sophisticated. It will also have some highly practical applications. The

user will be able to play games, plan the economical use of his domestic electricity supply, work out his tax liability and develop skills in mathematics, spelling and typing. It will help the businessman to run his office, and assist the amateur astronomer, musician and photographer.

These facilities will be available in print-out form, but also by adding a receiver costing about £100, through the television transmissions of the BBC, providing a range of computer programmes.

The computer will give access to the data available on the BBC's Ceefax and the Independent Broadcasting Authority's Oracle teletext systems, and by adding another inexpensive extra, access as well to British Telecom's Prestel data bank.

Lawyer to await ruling on dress tax relief

Miss Ann Mallalieu, age 35, a barrister who wants tax relief on the cost of her work clothes, must wait to hear the High Court in London yesterday to hear Mr Justice Slade reserve judgment on her appeal against a tax commissioners' refusal to grant her an allowance.

Mrs Mallalieu said she was entitled to tax relief because she never wore her lawyers' clothes except for her work. She maintained that the black dresses, shoes and rights and the white blouses she had to wear for work did not suit her blonde colouring.

The outcome of the case is awaited with interest by the rest of Britain's 4,000 barristers, who include 500 women.

Lord Diplock finds controls on tapping are satisfactory

By Peter Evans
Home Affairs Correspondent

Interception of communications, particularly telephone conversations, remained an effective and essential weapon for the maintenance of law and order and the safety of the realm, Lord Diplock, chairman of the Security Commission, said in a report to the Prime Minister yesterday.

He said the procedures used were working satisfactorily and with the minimum interference with the individual's rights of privacy in the interests of the public weal.

Lord Diplock acknowledged that the exercise by the state of any power to read or listen to communications between private citizens involved an invasion of their privacy; the public had always looked on that with suspicion and alarm. But crime had become more organized, international trafficking in drugs brought enormous profits and terrorism had become worldwide.

Lord Diplock did a random check of typical cases for which warrants for the interception of communications were sought by the three services whose practices he was reviewing: the police, the Customs and Excise and the security service. He tested whether six conditions were being observed:

1. That the public interest which would be served by obtaining the information was of sufficient importance.
2. That the interception applied for offered a reasonable prospect of providing the information sought.
3. That other methods of obtaining

ing it had been tried and failed or were not feasible.

4. That the interception stopped as soon as it had ceased to provide information of the kind sought or it had become apparent that it was unlikely to provide it.

5. That all products of interception not directly relevant to the purposes for which the warrant was granted were speedily destroyed.

6. That such material as was directly relevant was given no wider circulation than was essential for carrying out that purpose.

Before any warrant could be issued the applicant service had to satisfy the Home Secretary or Secretary of State for Scotland that the first three of the conditions were fulfilled. If information given by the applicant services to justify the issuing of a warrant was not accurate, the main safeguard of the procedure was destroyed.

Lord Diplock examined the files of cases he selected at random and talked to the officers directly involved. He was satisfied that the information provided was stated with accuracy and candour and the three services' checks on applications before submission were "appropriate to detect and correct any departure from the proper standards".

The applicant services and the Home Office or Scottish Office reviewed at fixed intervals, as required, the need for warrants, and he found there were also good practical reasons for the applicant services to be anxious to have



Lord Diplock: "Interference with privacy minimized"

warrants cancelled if they were not providing useful information. Interception of communications, particularly telephone communications, was expensive in skilled manpower.

A system of quotas for the total of warrants outstanding at any one time on behalf of the police and Customs and Excise provided added encouragement. Although the quotas appeared to be reasonable and adequate to the needs of the service concerned, their existence made it

conscious of priorities in deciding whether to apply for the issue or renewal of a warrant in borderline cases.

The security service, in cooperation with the Special Branch of the Metropolitan Police, used interception to gather intelligence about sub-

versive, terrorist and espionage activities capable of constituting a threat to the peace or safety of the realm. That involved longer-term objectives than those connected with tackling crime or with the duties of the Customs and Excise, so warrants for the security service tended to remain in force longer. The same applied to certain anti-terrorist interceptions on behalf of the Metropolitan Police Special Branch.

After carefully inspecting cases selected at random and holding discussions with the desk officer in charge of that particular case, Lord Diplock said he was satisfied that warrants were applied for only in proper cases and were not continued any longer than was necessary for carrying out their legitimate purpose.

The remaining conditions, relating to the speedy destruction of non-relevant material and the restriction of circulation of directly relevant material, were being satisfied. Recordings of telephone conversations were listened to by officers of the applicant service who had been specially briefed on the case for which the warrant had been issued and on the kind of information it was hoped to obtain.

The officer concerned would make a note of the gist or, if he regarded it as sufficiently important, the content of any recorded conversation that was relevant to the information sought.

The tapes were then returned to the Post Office for erasure,

which took place in a matter of days, and reused. The officer's notes of the relevant parts of the conversation were made available only to those other officers of the applicant authority who were concerned with the particular case.

It is observed as a strict rule that they are never disclosed to any outside authority or private individual, nor are they ever used in evidence.

Lord Diplock's terms of reference did not extend to the report that he proposed to continue making random checks of applications for the issue of warrants on behalf of the services he had reviewed.

The appointment of a judge as an independent monitor was announced by the Home Secretary when the White Paper, *The Interception of Communications in Great Britain*, was published last year.

The Government said it had decided against legislation but that it would be desirable for that interception to be subject to a continuing independent check carried out in accordance with established purposes and procedures.

The White Paper, the first report on Government surveillance, said that under Lord Birkett in 1957, came after growing concern about possible abuses and allegations in the News Secretary that thousands of illegal tapping were taking place.

The *Interception of Communications in Great Britain* (Cmd 8191, Stationery Office, £20.00). Leading article, page 17

Warsaw authorities to grant clergy wider role in society

From Dossa Trevisan
Warsaw, March 3

The Polish Roman Catholic Church may regain access to institutions from which clergy were excluded in the late 1950s when relations between the Church and the communist regime deteriorated under Mr Wladyslaw Gomulka, the former party leader.

At a meeting held yesterday as part of negotiations between the Government and the Church Commission, it was suggested that the demands of the priests to be allowed access to hospitals, old people's homes and prisons would be granted though details still have to be negotiated.

But, judging by a communiqué issued after the meeting, an agreement in principle seems to have been reached and further talks between church representatives and the ministries and institutions directly concerned will be held.

The meeting provided again an opportunity for the Government to underline the "positive role" played by the Catholic Church in helping to restore social peace in Poland to an appeal made last month by General Wojciech Jaruzelski, the Prime Minister.

In his parliamentary address on his election to the premiership, General Jaruzelski asked his Government to continue to work for an improvement in relations with the Church.

The Church's responsible and patriotic stand was also underlined by the daily newspaper, *Zolnierz Wolnosci* yesterday, but while it praised the stand taken by the episcopate and especially by Cardinal Wyszyński, the Polish Primate, throughout the crisis, it accused some clergymen of using the pulpit for political, often inflammatory speeches.

This is the first such complaint for a long time to be made against the clergy, even though the newspaper was careful to draw a distinction between the Church hierarchy and the lower clergy whom it said showed "political zeal" aimed against social peace and order.

The newspaper, which obviously reflects the views of the Ministry of Defence, said that some priests were showing

"fierce anti-socialist militancy and that some of their speeches, presumably in their parishes, were meeting with approval of some groups of believers connected with dissident groups."

The newspaper also alleged that some priests regarded Cardinal Wyszyński's plans with hostility and claimed that he had "sold himself to the communists".

But the general tone of Government statements and official newspaper comments is to underline the positive role of the episcopate in calming the atmosphere and in calling for understanding of the situation.

Cardinal Wyszyński has, however, been urging the authorities to recognize the rights of the 3.5 million private farmers to form their own association.

In a homily delivered recently in St John Cathedral in Warsaw, the cardinal said that the private farmers had the right to the same kind of organization that was granted to industrial workers.

He also told the authorities that they had the right to set up such associations that would suit their interests best.

He blamed Poland's present food shortages largely on the Government's agricultural policy which the church had been criticizing for years.

This year, Poland will have to import some 10 million tons of grain. In the Government's new programme, agriculture is to be given top priority and the private farmers have been promised equal opportunities with the state-run farming estates.

But the agricultural tool industry is obviously not responding fast enough and shortages of spare parts are threatening to put at least 40,000 tractors out of work.

Walesa visit: Mr Lech Walesa, the leader of the independent trade union movement Solidarity, will visit France from March 22 to 29 at the invitation of French trade unions.

Solidarity announced tonight (Reuters reports from Warsaw).

It will be Mr Walesa's second trip abroad as leader of Solidarity. He will be accompanied by a number of union officials

Fishing boats ferrying in weapons from Nicaragua easily evade three patrol ships

Tiny Navy fails to halt flow of arms to El Salvador rebels

From Michael Leapman
La Unión, El Salvador, March 3

As the small, grey patrol ship, one-third of El Salvador's functioning Navy sputtered out into the volcano-fringed bay here, one of the journalists on board said: "I wonder whether we'll catch any Nicaraguan arms smugglers."

Not much chance. The three ships working out of a theoretical fleet of eight have never managed to intercept any of the tons of arms believed to be coming by sea from Nicaragua, 29 miles across the Gulf of Fonseca, to the left-wing rebels fighting in the hills.

Lieutenant-Commander Humberto Villalta, commander of the country's only naval base, says he estimates that more than 20 ships, each capable of carrying up to three tons of arms, must have slipped into one of the dozens of little rock-framed harbours at this eastern end of the country's 170-mile coastline. One boat capsized and fishermen have been picking up boxes of Russian-made grenades in their nets.

Even if his guess at the number of arms ships is correct, it is still a puzzlingly small proportion of the 600 tons of arms and ammunition that have been smuggled here, according to captured documents published by the State Department in Washington.

The two other main routes—by air from Nicaragua and across—difficult mountain terrain from Honduras—can scarcely account for the difference.

Lieutenant Nelson Aristides Angulo, crisply turned out in a khaki uniform, is captain of GCG, one of the three working ships. As we eased between hilly headlands into the open bay, he said that many of the arms may come not in large shipments but in two and three at the bottom of a fishing boat.

If this is the case, Nicaragua's assurance this week that it will halt supplies may be hard to fulfil.

"Look at those, those and those", he said, pointing to a cluster of fishing boats bobbing in the sunlit bay. "You could hide rifles and ammunition in those, and you can't control it."

"The trouble is these patrol boats are too noisy. I had a colleague go up there," he pointed to the top of a volcano and he said he could hear us from that distance. The Nicaraguan boats hear us coming and have time to turn away."

He took us to the edge of El Salvador's territorial waters, marked by a line of five large rocks jutting suddenly from the sea. These, the Farallones Islands, are the physical manifestation of the line President Reagan has drawn between the free and the communist worlds.

To his east are the waters of left-wing Nicaragua. Rising behind them is Cusi Guina, Nicaragua's western extremity, where—according to Salvadoran officers—a modern port and radar facilities have been built to help the arms flow.

Commander Villalta points out that his tiny Navy is not only under-manned but also under-equipped. We have 150 men, he said. "We need 1,000 and many more ships." Of these 150, only three are officers, one for each working ship.

At the weekend three American advisers went to see what help could be given to the Navy and a further seven Americans are due today.

"They are surprised at what they saw," said Commander Villalta. "They have seen the deprivation in our supplies. I think they will help."

Help is needed, but the Americans may have been even more surprised at the lack of any sense of the base being on a war footing. It is a collection of ramshackle buildings at the end of a cobbled street in a somnolent port, where the only signs of the civil war are the well-armed soldiers jolling on strategic corners. When a few reporters visited the base on Sunday afternoon, the duty officer and the commander were having a siesta.

It is still something of a mystery what happens to the arms that are supposed to be coming to the rebels in such great numbers. At the weekend government troops completed a successful five-day land and air counter-offensive, in which they regained some of the areas

the guerrillas won in their "final offensive" in January. The leftists do not seem to have made much of a fight of it, even on the Conchagua volcano just behind this coast where their arms arrive.

Government troops flushed them out of their hilltop hideaway, meeting little resistance.

Among the captured weapons shown to reporters, only three out of 16 rifles were modern ones, of the kind the United States has accused communist powers of supplying. Many of the rest were ancient, though there were a few Russian grenades.

It could be that the guerrillas are saving the modern weapons for a new offensive planned for May, when the set of the rains will thicken the undergrowth and make concealment easier.

But after last week's successful operation by government forces, the rebels have lost many of their January gains and will have to start from a weak position, battling government troops refreshed by extra American help.

Washington, March 3

The United States decided to step up its military involvement in El Salvador where American-backed government forces are fighting wing rebels.

In a statement published in Washington late last night, State Department announced that the US will send an extra 20 advisers as well as \$3.2 million worth of equipment to the Salvadoran Government. This increase to 54 the number of advisers, the statement said, will double the amount of economic and security assistance to some \$30m.

A State Department spokesman said the additional group of advisers will provide the Salvadoran Government with expertise in intelligence, maintenance, communications, basic training methods, and emphasized that they were not to accompany Salvadoran army forces outside the "surveillance areas or participate in any combat operations."

The spokesman also said the Administration was studying an increase in economic aid to El Salvador. Reports from San Salvador have suggested that the Government there is seeking as much as \$200m.

The extra military equipment announced in the statement last night will include helicopters, small arm military vehicles and ra equipment.

The extra advisers and military equipment are less than some reports had suggested they might be. But some 44 Democratic members of the House of Representatives have sent a message of protest to President Reagan warning him of the possibility of "another Vietnam" in central America.

"Your Administration focused on a military solution to the Salvadoran conflict," the message said. "We believe it would be in America's interest for you to encourage dialogue between the opposing forces and the junta."

Mr Reagan and his foreign policy advisers seem intent, however, on making El Salvador the first test of the new Administration's determination to counter what it regards as worldwide "communist-inspired subversion."

In addition to assisting Government in San Salvador, the Administration is trying to cut the flow of arms to rebels from Cuba via Nicaragua and Honduras. Indeed, American threats to cut off aid to the Government of Nicaragua unless that country stops shipment of arms across its territory appear to be paying off.

Mr Alexander Haig, Secretary of State, told reporters that Washington has now received "certain assurances" from Managua that the flow of arms would be taken to halt the flow of war material.

According to Administration officials, the Nicaraguans have agreed that arms have been moving across their territory from Cuba.

Washington recently sent a final ultimatum to the rebels from Cuba via Nicaragua, asking them to stop the flow of arms to the Government of Nicaragua, unless that country stops shipment of arms across its territory.

Whether the suspension will be lifted will be known in about a fortnight.

US steps up military assistance to junta

From David Cross
Washington, March 3

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"Your Administration focused on a military solution to the Salvadoran conflict," the message said. "We believe it would be in America's interest for you to encourage dialogue between the opposing forces and the junta."

Mr Reagan and his foreign policy advisers seem intent, however, on making El Salvador the first test of the new Administration's determination to counter what it regards as worldwide "communist-inspired subversion."

In addition to assisting Government in San Salvador, the Administration is trying to cut the flow of arms to rebels from Cuba via Nicaragua and Honduras. Indeed, American threats to cut off aid to the Government of Nicaragua unless that country stops shipment of arms across its territory appear to be paying off.

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Arafat optimism over Tehran peace mission

From Tony Allaway
Tehran, March 3

Mr Yasser Arafat, the leader of the Palestine Liberation Organization, arrived in Tehran tonight to resume talks on ways of ending the five-month Iran-Iraq war.

He arrived from Saudi Arabia one day ahead of the scheduled return of other members of a special Islamic mission charged with attempting to draw the two sides towards peace. The mission, which includes four heads of state, has already visited Tehran and Baghdad over this week and is conferring in Riyadh, the Saudi capital.

The Palestinian leader told the official Pars news agency that there were no special reasons for his arrival ahead of the rest of the mission. He said that Mr Habib Chatti, the Secretary-general of the Islamic Conference and a member of the mission, would discuss the results achieved so far in a

press conference here tomorrow.

Mr Arafat was very optimistic about the outcome of the talks. This feeling may have been encouraged by some small chinks Iran has shown in its defiant attitude since the mission left Tehran on Sunday.

A special meeting between Ayatollah Khomeini, the Iranian leader, and President Bani Sadr of Iran, to discuss the mission today indicated that Iran was at least giving the delegation more credence than to previous efforts.

But foreign military observers in Tehran reacted coolly to a suggestion made by General Vahidollah Fallahi, the deputy chief of staff, last night that Iran might agree to a short ceasefire in order to allow Iraq to withdraw its troops.

While a few observers wrote it off as a mere "public relations exercise", others said it reflected at best the view of the moderate political camp in Iran.

Egypt honours generals

Cairo, March 3.—President Sadat of Egypt led thousands of army officers at the funeral here today of Lieutenant-General Ahmed Badawi, his Defence Minister, and 12 senior officers killed in a helicopter crash yesterday while visiting troops in the Western Desert.

The President, in the uniform of supreme commander, walked with the self-proclaimed Shah Reza of Iran behind the horse-drawn gun carriage carrying the Minister's body.

The bodies of nine generals and four other senior officers

killed in the crash lay on army jeeps draped in the red, white and black colours of Egypt.

The officers all boarded the same helicopter as the minister for reasons of economy, the newspaper *Al-Akhar* said today.

A military spokesman and an eyewitness said the helicopter hit a lamp post as it took off and the machine, a Soviet Mi8, exploded as it hit the ground, killing the Iranian leader.

The four crew and a Defence Ministry officer who survived are being questioned

30,000 march in protest against trade union militancy

From Our Correspondent
Wellington, March 3

The heroine in Auckland today was Miss Tania Harris, an office worker of 22, who led a crowd of about 30,000 in a march along Queen Street in protest against trade union militancy. It was one of the biggest demonstrations there for 30 years.

Miss Harris, who carried the New Zealand flag, was overwhelmed by the response. She says she is not against trade unions but for New Zealand.

Key sections of the economy were returning to normal today after week-long troubles provoked by the arrest of pickets at Auckland airport. Baggage men and other members of the

Engineering Union employed by Air New Zealand went on strike first over wages and then in protest at the airline's use of non-union labour.

Other workers throughout the country mainly in transport, time and again passing industries went out in sympathy.

The Federation of Labour

joined the protest against the arrest of pickets who have been remanded on charges of violating the airport security.

Last week the Government rejected the federation's plea to abandon the prosecutions.

Instead it is expected to agree to discuss with the federation the possibility of giving legal sanction to peaceful picketing.

In return, the federation has ordered all strikers back to work.

The anti-strike march in Auckland with its theme: "We have had enough" and patriotic fervour undoubtedly reflected widespread public resentment at trade union militancy and the inconvenience and economic loss

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which it has caused.

Ministers to meet amid hopes for Belize future

By David Spanier
Diplomatic Correspondent

Hopes are high that one of the last and most difficult of Britain's colonial problems, the future of Belize, formerly known as British Honduras, will be resolved this week.

A ministerial meeting between Guatemala and Britain will be held in London tomorrow and on Friday, in an attempt to reach a settlement, opening the way to a constitutional conference and independence by the end of 1981.

The fact that Señor Rafael Castillo Valdez, the Guatemalan Foreign Minister, has agreed to come to a meeting in London after the recent talks at official level in New York, is seen as an encouraging sign.

Lord Carrington, the Foreign Secretary, will open the meeting, and give a lunch for the Guatemalan delegation. Mr George Price, the Premier of Belize, is also attending the talks.

Although all the parties are now anxious to settle the dispute, which has been a long and bitter one, much cherished territorial claims on Belize, the success of the conference is not

assured. The crux of the difficulty lies in giving Guatemala the kind of terms which it could regard as an honourable settlement, in return for dropping its claims.

It may be that some form of economic package, consisting of development assistance and improved access on the sea routes, would satisfy Guatemala's public opinion.

In any case, Britain intends to bring Belize to independence, in accordance with the United Nations resolution on the subject which was approved by a vote of 139 to nil, by the end of the next United Nations session, due to finish by December 31.

The great advantage of securing an agreement with Guatemala is that the process of bringing the country to independence could then be conducted swiftly and smoothly, without the necessity for maintaining British troops in Belize.

The existing garrison, totalling about 1,600 men, includes infantry units, Harrier, Puma and Sea King helicopters, a regiment of Rapier anti-aircraft missiles to defend the airfield, and a Royal Navy warship

Major Haddad sends in an explosive demand for his £2.5m back pay

From Robert Fisk
Sidon, March 3

Major Haddad's first shell came hissing over Sidon just after 10 am and banged through the roof of a classroom in the Evangelical School for Girls. The second missed Sidon altogether, soared over the city and played into the Mediterranean beyond the twelfth century castle of St Louis, sending up a plume of spray worthy of a Second World War film.

It was Major Haddad's way of demanding his back pay—of £2.5m worth of it, accrued over two years and three months and allegedly owed by the Lebanese Government to the major and his 2,000 ragged soldiers in the Israeli-supported enclave of southern Lebanon.

On the basis of his daily bombardment of Sidon, Major Haddad must need his back pay very badly indeed.

Not that the first shell today came as a surprise to the gentle and elderly ladies who manage the 120-bed convent school academy on the little hill above the Sidon railway tracks.

Only a few hours before, Major Haddad announced over his Voice of Hope radio station that if he could not get his money he would cause the amount of damage to the ancient Crusader city.

The school principal decided that her 1,000 pupils would be excused today's classes—which is how it came to pass that Major Haddad's projectile thundered into a classroom for 15-year-olds and pulverized the wooden desks without scratching a soul.

Down at the office of the Sidon municipality, a teenaged schoolboy ambulance driver, slightly disappointed that his potential heroism had been vilified for lack of casualties, jerked his head knowledgeably in the direction of a large hole just beside the city's main shopping street.

"That happened at 10 o'clock on Sunday," he said. "It broke all the windows in the municipality. The shells always come at 10 o'clock. After that, Major Haddad goes off to lunch."

By South Lebanese standards, the shelling of Sidon is a somewhat modest business. In three days of careful shelling, the major's artillerymen have done little more than wound seven civilians and blow up the Sidon water mains.

Only 20 civilians have been killed by long-range shelling in Sidon in the past two years and the vegetable market did not close down this morning. Out in the Sidon roads, two rusting tramp steamers did not even bother to manoeuvre out of range.

But there is no sense of nonchalance in Sidon's edgewise governorate offices where Mr



Halim Fayad, Governor of south Lebanon, tries to administer a province which he cannot completely tour for fear of his life. He last visited Major Haddad's barracks town of Marjayoun in 1976 and things, as he ruefully agrees today, have changed since then.

"Israel is just trying to do what it has always tried to do," he said. "It is trying to depopulate the land. But our people are staying where they are."

He sat this morning in his heavily carpeted office, a demure, bespectacled figure in a dark business suit, fingering a set of bright orange worry beads and listening to the reports of Sidon's charming but impotent constabulary.

"We were shelled on 73 days last year and what has been going on these last three days is an act of aggression," he said. "Sidon is a civilian city and far from the border and the pretext given for the shelling is imaginary."

Israel, he said, was directly responsible for the bombardment—whatever guns had actually fired the shells—and that the United Nations Security Council should consider the plight of his city.

But the Security Council is, in fact, being asked to consider a little capital. The Lebanese Government said this afternoon that it was seeking a debate on the escalation of Israeli attacks across southern Lebanon in view of yesterday's raid by the Israelis which left 15 dead and 42 wounded in the village of Abu el-Aswad.

Nine of those killed were Palestinians and six were Lebanese.

Eighty-two members elected in 1976 were not re-elected either because they had died or were not re-nominated. In all, the party's central bodies, whose elected officials total 545 compared with 511 in 1976, about 28 per cent were elected for the first time.

In his closing speech this morning, Mr Brezhnev promised that the "new composition of the party's leading organs" would keep a close watch on the unity of party ranks. He said the leadership would concentrate on two main tasks: communist construction and consolidation of peace.

He called for the strict fulfilment—and, if possible, over-fulfilment—of the new five-year plan, and reminded the party that it could keep its position

as vanguard of the people only by "continuous, unceasing struggle for the interests of the working people"—a remark that observers see as a reference to the events in Poland which have been a main theme of this congress.

Echoing his forthright report at the opening of the congress eight days ago, he pointed out that nothing came easily, and improvements in living standards could be achieved only by hard work from the people itself.

The congress, which was stage-managed down to the smallest detail and whose delegates did not allow themselves the slightest questioning of policies, has been conducted, he said, in a spirit of "unity and cohesion" and showed the absolute unanimity between party and people.

The following is the complete list of the Politburo.

Leonid Brezhnev, 74, General Secretary.

Mr Haig to visit Middle East early next month

Washington, March 3

Mr Alexander Haig, the Secretary of State, will make his first trip to the Middle East the beginning of next month, was announced here today.

A State Department spokesman said that Mr Haig, who will leave Washington on April 3, will spend a day in Egypt, Israel, Jordan and Saudi Arabia, returning to Washington on April 8.

He will discuss "shared concerns about the security of the strategic area", the spokesman added. At the same time, I wanted to hear the views of the countries' leaders on how to proceed with efforts for a comprehensive peace agreement between Israel and its neighbours.

The State Department's description of the visit's aims confirms that the Reagan Administration will give more priority initially to combating alleged Soviet intervention in South West Asia than to resuming the Camp David peace process.

Yuri Andropov, 66, Chairman of the Committee of State Security (KGB); Konstantin Chernenko, 69, Central Committee secretary for administration; Mikhail Gorbachev, 60, Central Committee secretary for agriculture; Viktor Grishin, 66, secretary of the Moscow party committee; Andrei Gromyko, 71, Minister of

THE ARTS

Book review

British Government and its Discontents

By Geoffrey Smith and Nelson W. Polsty

(Harper & Row, £7.95)

A conversation with either Mr Smith or Professor Polsty is a pleasure; a conversation with both of them is a real treat. It will not therefore surprise their many friends, admirers, and students that *British Government and its Discontents*, which is based on conversations between the two authors, is enjoyable, well-informed, and witty.

The book was presumably intended mainly for an American audience, it assumes only the sketchiest knowledge of Britain. But it could and should be read on this side of the Atlantic too, as one of the more reliable additions (despite its self-imposed limitations) to the mounting literature on British decline.

The authors bring different qualities to the book. Mr Smith is thorough, fair, and judicious; the section on devolution presumably owes much to him and the reminders us that he has written better on this subject than any other commentator. Professor Polsty brings to his first study of our political system, trenchant wit and abundant commonsense which have been the hallmarks of his work on American politics. What the authors have in common is a belief in the high importance of the political arts, not least in mobilizing and retaining consent for the purposes of government in a free society.

"Britain", the authors note, "is to be distinguished from such countries as Canada and Brazil in that it has become a middle-sized power through shrinkage, not growth". They concede that Britain is still a more agreeable country in which to live than many which are more prosperous. Continued economic decline, and the prospect of relative decline becoming absolute, could change all this and threaten our social stability and our traditions of civility and tolerance.

There is no *schmaltz* in their balanced descriptions of Britain today; unlike one or two recent American correspondents, in this country (presumably still paid at home rates) they do not find in Britain's failure to cope successfully with its problems a convincing picture of what the rest of the world should try to be like. Nor do they go to the other extreme and write off any chance of recovery. Britain is not necessarily sliding to destruction with, as our former ambassador in Washington once argued, little or no chance of making our economic appetites compatible with our democratic liberties. There should be an up-turn in the J-curve.

That will only happen, however, if we recover our nerve and our optimism. The authors argue that in order to do that we must strengthen our political institutions "by broadening their capacities to build public consensus". They would like to see an increase in parliamentary control over the executive; this would ensure not only better government and legislation but also a greater measure of popular consent for what is done in the public's name. Similarly, we need to open up the process of decision-making within government itself. The responsibility for the mistakes and the successes of public policy "must be widely shared as a means of increasing the legitimacy of government among those who bear its costs and reap its benefits".

There is plenty of room for argument about the specific remedies advanced by Mr Smith and Professor Polsty. But there will be broad and increasing agreement with the two propositions on which much of their case rests. First, as the late Mr. Macmillan once said, most economic problems can be solved only by political means; in the authors' words, "arguments over economic strategy are secondary to the problem of creating the political conditions for any economic policy to be successful".

Second, a party that aspires to be the natural governing party cannot afford to be constantly ideological.

Chris Patten

Only the best is good enough for Broadway

New York

There are two barometers of the state of Broadway which are clearly visible without the need to cross a theatre threshold. One is the queue which winds from the cut-price ticket booth on Times Square and the other is the queue for Wednesday lunch at the myriad of tiny restaurants between 43rd and 55th Streets on the West Side.

A few days ago, when a 36-hour rainstorm had transformed New York from a city which it had been dubbed in the press for most of February, something rather closer to Monsoon City, the queue for reduced price seats, lashed by the heavens, coiled and serpentine down towards the New York Times building. Those in line waited patiently because for the lucky there were good pickings: for example, \$12 off a seat at the Met for the one performance of the season in which Domingo and Milnes were appearing together in Verdi's *La forza del destino*. A high proportion of what is on offer is excellent.

At 1.00 pm on Wednesdays the Broadway restaurants are packed and by 2.00 pm they are almost deserted as the clientele have gone off to the most sacred of New York institutions, the midweek matinee. The ladies from Westchester head for the non-lyric theatre, of which the best of the new bunch is *Flirt* at the New Apollo with Christopher Reeve dropping his Superman wings to play an immobile Vietnam veteran—shades of Jon Voight in *Coming Home*.

The families head for the musicals. Just how so many children get time off from school right in the middle of term has never been satisfactorily explained to me. But it could be argued that an afternoon spent at *The Pirates of Penzance* (Uris) improves the mind, to say nothing of the spirits, more than a couple more hours in the classroom.

The current Broadway boom is founded on the musical and the competitive vigour that it generates. Everything is rehearsed down to the last half-second. If the material is a little thin here or there then it is the job of the director and performers to do the covering up so that most of the audience will not notice. Take, for instance, *A Day in Hollywood*, a *Night in the Ukraine*. Dick Vosburgh's musical double bill made a mildly diverting entertainment when it was seen at the Mayfair in London, fine if you had dined well but of no more than university level standard if you were feeling critical.

At the Royale it has been transformed into a zippy and sophisticated evening thanks to the sets of Tony Walton and the choreography of Tommy Tune, who is currently in charge of *Whorehouse* at Drury Lane. Preference for the first half of the bill, a sing and dance down Hollywood's memory lane, or the second, a Marx Brothers invasion of Chekhov's *The Bear* (territory also visited by another Walton, Sir William, will depend on your attitude towards those immortal four. As a devotee, I will take *The Bear*, and in particular the Harpo of Priscilla Lopez. It is, though, going to make the Walton opera that much more difficult to listen to in future.

The exceedingly high standards in the musical theatre are making producers more and more reluctant to open officially until they are as sure as they can be that the product is right. The queue of productions waiting to get into Broadway



Gregory Hines in *Sophisticated Ladies*—some of the best tap seen on Broadway for many a year

at the moment is such that there is little inclination to nurse such shows; the patient is turned out of bed to make way for something healthier. Even *Pirates*, which appears to be assured of capacity houses for some time to come, looks as though it will be ejected from the Uris later in the summer because that theatre is already committed to the Rex Harrison revival of *My Fair Lady*.

It was probably the old, familiar sensation of someone else breathing down the neck that caused all three of last week's major openings to be postponed: Donald Sutherland in Edward Albee's version of *Lotus*, Chita Rivera and Donald O'Connor in *Back Birdie* (Bye Bye Birdie twenty years after) and *Sophisticated Ladies*, a tribute to Duke Ellington. First nights on Broadway now seem to be as adjustable as they were under

the late Walter Felsenstein at the Komische Oper in Berlin. He had a majestic disregard for dates and rang up the curtain only when he was ready, which is in direct contrast to the West End's dictum of sticking to schedule and hoping for the best.

Perhaps, to judge from *Sophisticated Ladies*, which has now been unveiled, the Felsenstein-Broadway approach pays off. Ladies had its troubles, apparently, while out on the road but under the direction of Michael Smuin they have sets—Tony Walton again—which put the band on the kind of platform a good night club would provide, atmosphere was created simply through neon signs.

The legendary nighties flash by—The Cotton Club, Cafe Society, After Hours joint—and so do the numbers, 20 in each half. The Duke is

remembered chiefly in dance. Gregory Hines producer of some of the finest tap seen on Broadway for a long time, with Hinton Battle (former Dance Theatre of Harlem) and Judith Jamison (former Alvin Ailey), Broadway has never hesitated to raid the ballet companies in search of performers, or for that matter the Manhattan supper clubs. By casting the trawl wide the quality is raised, as it has been here. *Sophisticated Ladies* is the best of the present long line of composer-performer musicals and when Miss Jamison and Mr Hines combine in "I'm beginning to see the light" we hear the very best of Ellington. And that is very good indeed.

The versatility of artists in London is remarkable. Gregory Hines can dance, tap, sing, even take over on percussion. He can also play the audience, an art surely best acquired in those Manhattan supper clubs. At Freddy's, a wide side a lady called Pudge, who lives up to her name without overdoing it, has an act consisting entirely of insulting those who have come to see her. It is not Barry Humphries or Bruce Forsyth technique of picking on a few unfortunates in the stalls, but the readiness to take on one and all, like some prefigured of the art lies in thinking quicker than anyone else and also knowing when to stop before a martini is thrown in your face. It is called professionalism.

There are times when a visiting Englishman is inclined to despair and begin to believe that this professionalism is an entirely American quality. Not so. To prove it there are *Amadeus* and *Plaf*, both considerably changed for Broadway but both announcing their native origins. There is Simon Gray's *Close of Play* just opened at the Manhattan Theatre Club and there is Nicol Williamson in John Osborne's *Inadmissible Evidence*, taking the role once more as Maitland at Roundabout/Stage One. Jim Dale has made *Barnum* his own and *Tessie O'Shea* opens in *Broadway Follies* in the middle of the month. Ian Richardson, as dapper and neat in dress and diction as Alec McCowen, may well steal such honours as are going as Humbert Humbert's alter ego in *Lotus*.

John Higgins

Hedda Gabler

Yorkshire

Michael Church

Costumes? Loved them. Decor? Ravishing. Soundtrack? Excellent. Adaptation? Excellent (ie, did not notice it). How nice to be able to be nice about a dramatic work by John Osborne. Despite Yorkshire Television's efforts, however, I feel I have seen no more than the mighty shadow of the real *Hedda Gabler*. This has little to do with the inherent limitations of the medium (about which Mr Osborne has some pertinent things to say in his typically splendid piece in this week's *TV Times*). It has a lot to do with the crucial and quite controllable element in the production process, casting.

For Ibsen, the sap was still rising. He described Tesman as a young-looking 33 with a round, frank, happy face. Hedda was an elegant 25. Mrs Elvsted, 27, was "a slender little thing with pretty, soft features". Brack was a suave and youthful 43.

Last night Denis Lill, Diana Rigg, Elizabeth Bell and Alan Dinko, each looked, or were made to look, a decade older than their exemplars. Each looked worn down by life. The sexual tensions at the core of the play were thus at least partially dissipated.

There was so much to admire in the way this production built up its suffocatingly genteel atmosphere that it seems chur-

lish to find further fault, but in another major respect it did not live up to expectation. The climax, which should come like the anticipated crack of doom, came like a surprise, and almost as a surprise. We needed a trace of Hitchcockian suspense. Rather than being shown it, we should have been made to picture the scene as Hedda thumps the piano for the last time, and the explosion itself should have been much louder.

That Hedda's suicide should have come as a surprise, rather than as her characteristically morbid response to a situation she could not endure, has to do with the way Diana Rigg played the part. Cruel, capricious, disdainful, her every utterance betrayed an intelligence which ran rings round everyone else; her every gesture a sensibility which made other people's seem crude and fumbling. Unwillingly pregnant, she was in a permanent rage.

But there was something coldly controlled about her, something too impressive at moments when she should have been beside herself with excitement, burning Löbberg's manuscript, for example. This Hedda would have found some other way out of her marital predicament. Oddly enough the Hedda who remains so securely on the mind is the one presented eight years ago on the stage of the Royal Court, and in this same adaptation, by Jill Bennett.

Floor PUNCH and Judy. At the hands of the Arts Council's film-makers (BBC) the history of their troubled marriage was not so much tarted up as tarted out of existence.

Cabaret Futura

Latin Quarter

Richard Williams

For four hours each Monday night Richard Williams takes over a Soho discotheque to present a variety of rock bands, comedians, performance artists and other like-minded exhibitionists under the banner of Cabaret Futura. After only a few weeks it has gained a reputation as the place where all the posturing diversity of the metropolitan avant-garde rock scene gathers to relax and inspect itself.

Strange, formerly the singer with the late and unlamented Doctor of Madness, plainly has an affection for the cabarets of Weimar Berlin: the ambience is sleazy, the clientele is pansexual, and the entr'acte tapes included Scott Walker's interpretations of Jacques Brel and someone singing Surabaya Djanary. These gestures, of course, only make explicit those connections first suggested by Low Reed in the late '60s and later followed up by David Bowie.

This week's programme began with Mick Fink, an unheralded performance artist from Leeds. Probably inspired by Jonathan Pryce in *Comedians*, he adopted the character of a British Movement skinhead in a clumsy but obviously heartfelt attempt to explain the reasons why culturally deprived white youths fall for amateur fascism. Unfortunately

his presentation, with slides and music and costumes and props, did not match his evident sincerity, and his purpose was widely misunderstood.

The Event Group, who followed Fink, are Cabaret Futura regulars, with a proverbially inconsistent collective temperament. On this occasion they chose to perform a variety of electric piano, two drummers and no fewer than six bass-guitarists, all of whom thrashed around on a fast funk riff. As an amusing novelty, it worked well—particularly when the musicians were fed with sandwiches and champagne during their marathon.

Tyson Dogg, who appeared in a cameo role on the Clash's latest album, was perhaps too conventional for this setting. Like an unusually passionate busker, he performed a virtuoso, harmonica and guitar, sometimes accompanying himself by pedalling a small harmonium; his high, querulous voice and modally-inclined songs reminded me of Family and their singer, Roger Chapman. It was certainly brave of him to attempt an anti-fashion song in the face of this preening audience.

Two of the New York bands which played at the Rainbow 10 days ago also put in appearances: the Bush Tetras, whom I thought we had deported after that debacle, and the Bongos, who were lumpy and unspectacular. Cabaret Futura is such an interesting environment, however, that sooner or later it will throw up a group or an artist to match its ambitions.

ENO's new Wagner

Two new Wagner productions, *Tristan and Isolde* and *The Flying Dutchman*, frame next year's season at the London Coliseum from the English National Opera, which includes three other new productions, the first London presentation of its Monteverdi *Orfeo* and at least 16 revivals.

Reginald Goodall will conduct *Tristan*, which opens on August 3, and, as for *Welsh National Opera*, Linda Esther Gray will sing *Isolde*. She will be partnered by Alberto Remedios in a production by Glen Byam Shaw and John Banbery, designed by Hayden Griffin.

Later in the month there will be *Orfeo*, with John Eliot Gardiner conducting and Anthony Rolfe Johnson leading the cast. It will be followed on September 24 by *Otello*, with Charles Craig, Rosalind Plowright and Neil Howlett; this will be conducted by Mark Elder, the ENO's music director, produced by Jonathan Miller and designed by Patrick Robertson and Rosemary Vercoe.

Charpentier's *Louise* will be presented on October 28 in a co-production with the Opera at Liège, Belgium. Produced by Colin Graham and designed by René Allio and Christine Laurent, it will be conducted by Sylvain Cambreling, with a cast led by Valerie Masterson, John Treleaven and Richard Van Allan.

Pelléas and Melisande will open on November 25, with Mark Elder conducting and Russell Smythe and Eileen Hannon in the title roles. It will be the first London production by Barry Kuper and will be designed by Peter Sjökr and Reinhard Heinrich.

The *Flying Dutchman* will be presented on February 10 next year, conducted by Elder and produced by David Pountney. Norman Bailey will sing the title role and Josephine Barston that of Senta.

Sir Charles Mackerras will conduct three of the revivals: *Rosengarten*, with Lois McDonald and Sally Burgess; *Aida*, with Elizabeth Vaughan; and *Mary Stuart*, with Dame Janet Baker and Rosalind Plowright.

Martin Huckerby

Exploring byways of the ballet

Dance films
The Place

John Percival

On four successive Mondays at the Place, the London School of Contemporary Dance is presenting a series of dance films. The first programme this week was mostly ballet; contemporary dance came next, followed by dance ritual and, finally, Fred Astaire and Ginger Rogers in *Flying down to Rio*.

Actually, the work I found most interesting in the opening programme, which was also the longest of the seven films shown, was an early example of German modern dance, Oskar Schlemmer's *Triadic Ballet*. Schlemmer, a painter and dancer, invented a theory of abstract dance in which the performers were to be depicted by bulky geometric costumes made of padded cloth or stiff, painted papier-mâché.

The *Triadic Ballet* was the most famous example, premiered in 1922 at Stuttgart. Schlemmer joined the Bauhaus. The filmed version is of a reconstruction made in 1970. The choreography is simple, relying heavily on the shape and colour of the costumes for its effect, but within that self-imposed limitation the results are often striking. Although the technique is one of abstraction, the work includes both humorous and sinister passages.

Janina Fialkowska

St John's/Radio 3

Hilary Finch

For her first recital in St John's, Smith Square, the young Canadian pianist Janina Fialkowska chose a short Chopin programme, introduced by the early Beethoven C major Sonata, Op 2 No 3.

Slight, refreshingly unassuming, her stage presence belies in all but its seriousness the massive strength and driving energy which permeates everything she plays. The concerto-like first movement of the Beethoven was propelled forward with more decisive earnestness than brio, its structure firmly grasped and clearly delineated; yet there was room within its vitality for a finely controlled arpeggio passage, delicately sharpening into focus before a brisk, no-nonsense cadenza. After an Adagio of compelling, if deceptively leisurely, strength, the exuberant Scherzo with its hurtling Trio was perhaps a shade too hurried for the final Assai Allegro to have its full force.

The precisely calculated, intensively disciplined playing that invigorated this last movement, yet threatened to deprive it of a certain spontaneity, characterized Miss Fialkowska's Chopin no less markedly. There was so much to admire in the A flat major Ballade, the nonchalant, totally unassuming lifting and questing of its opening bars, the firm-fingered fluency and arm strength that sustained a powerful momentum at climax points.

Likewise, for all its poise and clarity, the opening of the C minor Nocturne, Op 48 No 1, lacked a gentle flexibility, a sense of hushed, imaginative exploration to contrast adequately with the more rigorous rhythmic life which developed. After a forthright, brightly angry C sharp minor Scherzo, Miss Fialkowska's encore, a flat major Waltz, confirmed that here was a delightfully bold, direct player, full of power and joy articulated through a disciplined technique and substantiated by thoughtful and intelligent musicianship. Miss Fialkowska need not be afraid of being less rigorous with herself interpretatively: such a sturdy and reliable foundation often craves and can easily withstand being graced with a little more poetry.

Some of the notices on this page are reprinted from yesterday's later editions.

Helen Mirren.

Faith Healer

Royal Court

Irving Wardle

"I did it because I can do it", announces Brian Friel's hero, causing a disconcerting glance around an empty meeting hall with a faded poster on the back wall advertising his miraculous powers. What the rest of the play shows is that sometimes he can do it, and sometimes he cannot, but that throughout his vagabond years touring the Celtic outside, he can always rely on the support of his manager and his mistress. They are totally devoted to him; while he is devoted only to his capricious gift.

From this discordant relationship, Mr Friel develops a strange homecoming fable: in Ireland when Frank (the faith healer) elopes with a judge's daughter, drags her round his Welsh and Scottish circuit where occasional successes turn into an unbroken run of failures, rows and destruction, reaching their lowest point when he abandons her to deliver a stillborn child in the back of the van. The trio then return to Ireland, where on one night in a Donegal pub, his powers return and he walks out to face an unnamed fate. My

guess, from row A, is that he is shot at dawn.

A bigger question than that is why Mr Friel, with such a story to tell, should have put it in the form of four retrospective monologues; an approach that dilutes the impact of the events, eliminates relationships and, present-tense action, and involves the author in agonies of cumbersome exposition. "I tell you what, why don't I go back 12 months and tell you about that night?"

Mr Friel is an experienced craftsman and certainly knew the risk he was taking; but the only explanation I can offer is that he was more concerned with the effects of time and the fallibility of subjective memory than with more immediate dramatic qualities. A sneaking suspicion also lingers that he was himself undecided about precisely what the story was saying, and took advantage of his characters' conflicting memories.

As each appears in turn, Frank, Grace, and Teddy contradict each other on points of detail: parentage, dates of family deaths, or who was responsible for introducing Frank's sessions with the blind and maimed with a record of "Just the Way You Look Tonight". This raises the question of who they are supposed

thrilling, though against them Manfred's theme on the strings had to struggle to be heard.

Segal is clearly an ardent devotee of the work, to judge from the intensity of his reading, and the care devoted to internal detail. The din of the welling organ, in the scene of Manfred's death, swamped the rest of the orchestra. Tchaikovsky ordered *Grand Jew*, perhaps thinking in terms of a harmonic, which he preferred to Balakirev's suggested organ.

It was a stirring performance, encouraging for the BSO's well-wishers. Before the interval, conductor and orchestra manfully supported and framed a grand, poetic, zestful account of Chopin's E minor piano concerto by Emanuel Ax, whose insight and range of keyboard colour grow more and more impressive.

Bournemouth SO/Segal

Festival Hall

William Mann

The recently appointed principal conductor of Bournemouth Symphony Orchestra, Uri Segal, brought his new charges to London on Monday and boldly displayed their corporate achievement in Tchaikovsky's *Manfred* Symphony. It is notoriously difficult to execute and interpret both accurately and satisfactorily, but worth the challenge for its marvellous music.

Manfred used to be in the BSO repertoire during the early 1960s when their conductor was Silvestri, but he felt obliged to alter the scoring, and I doubt

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Ipswich may sample

[illegible]

Forest's spirit of adventure revived by two young men

Blackpool appoint Brown to take over from Ball

[illegible]

Macrae may join trail

Point Brown from Ball

[illegible]

Macrae may join trail

His first division career is over after suffering the eighteenth fracture of his career. An X-ray examination confirmed that Smith had broken an arm for the second time this season in a Central League game at Manchester City on Saturday. He said at City:

REPRESENTATIVE MATCHES: MIL. M.C.C. Club vs. Walsworth County, 1.0.67 at Cranley, 3.1.67.

OTHER MATCHES: Cambridge University Lac Club vs Birmingham University, 1.1.67 at Cambridge. Mil of Surrey vs University of Surrey.

Rugby League

CHALLENGE CUP: Second round. Osnorthy vs Marnegrove.

Hockey

REPRESENTATIVE MATCH: Army vs. Osnorthy, 21.1.67 at Aldroth.

LONDON LEAGUE: Hove vs Oxford University, 1.1.67: London University.

OTHER MATCHES: Cambridge City vs Cambridge University, 12.3.67, 20.3.67. Cambridge University, 12.3.67.

WOMEN'S TOURNAMENT: WRAC. National Cup Finals (at VICE LANE).

Loughborough introduce Lytollis for UAU final

Miss Navatlova makes the shots that count
Los Angeles, March 3.—Marrina

A casual game of squash at Cumberland Club (Hampstead) last Sunday afternoon has proved a catalyst for a new and exciting side-sides for the members of British Home Stores. It led to a request to sponsor next month's Cumberland Club tournament—the traditional opening of the British season—and today has already announced that his company will sponsor the event with £5,000 in prize money.

It is a first venture into tennis sponsorship for British Home Stores. The directors have made a £30,000 sponsorship commitment to aid women's rowing in Britain. Cumberland Club are to embark on a similar venture, including the launch of a new tennis

h introduce JAU final

No effort is spared Sandwich Op

By Peter Ryde

Thuchkoon, the former captain of the 54th Longshore pro-am here.

Second place is shared, on 58, by Peter Gill. O'Connor never fails to attract a faithful band of supporters. He is a professional and would not have been more concerned with his exploits had he been competing in the Open. The atmosphere of his matches is a mixture of snobbery and snob accused desperate not to be accused of letting the great man down, they holed puts from all over the place to come in with a team and a putt. Gill is the six shots better than any other.

Gill is the man who, in the

Army bogged down and forced to beat retreat

**pared to make
open a success**
passengers which will leave abo

Garry Logan, who has won three consecutive 1981 pro-ams and tied for sixth place in another, will be placed on 59. He arrived in Portugal on January 12, and will receive a \$4,000 over-draft and a wedding gift of \$1,000. March 28. His string of successes will be broken by a 70-hole loss to a power, has earned him \$5,300. He will be the first time since turning professional to lose a tournament that his game is in good enough shape to tackle the EPTI.

INDIVIDUAL SCORES: 64, 66, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862,

down and at retreat

again made the conversion.

Collision course for skiers

Doctor under orders
Geraldine Barnville, 17, the Dublin doctor and housewife who gave a controversial sports test last year, has come out of retirement to represent Ireland in the European Ladies' Amateur women's squash championships at the end of the month.

She is the daughter of the late Dr Dorothy Armstrong (Ulster) and Irene Hewitt (Ulster) complete 21 years.

Honourable gentlemen
MPs who want tickets for England's game against Scotland at Wembley in May, have been asked for written guarantees that they will not pass them on. The FA are determined that no tickets will be sold to Members of Parliament.

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ANGLO-DANISH TRADE

Investment

Recession adversely affects foreign interest

The present recession in Denmark is reflected in the slump in investments. In 1980 was 10 per cent less than in the previous year. Net investments in real terms was only about 40 per cent as high as in 1973-74.

According to Mr. Torben Nielsen, chief economist of Privatbanken, one of Denmark's three main banks, investment is now at the same level as it was in 1968, and thus adversely affecting Denmark's production capacity. Figures recently released by the Government's statistical bureau indicating that the number of bankruptcies in Denmark rose from 289 in 1979 to 1,935 last year tell their own sad tale.

According to statistics from Nationalbanken, the Danish central bank, total direct foreign investments in Denmark amounted to 1,180m kroner in 1979, while direct Danish investments abroad were 879m kroner. These figures reveal a steady decrease of foreign investments in Denmark—which are now the same as they were in 1970 after reaching a peak in 1976 at 1,667m kroner—while Danish investments abroad are gradually increasing.

The most important single item in the 1979 figures for Danish investments overseas (about a third of 350m kroner) was accounted for by the expansion of Danish banks overseas, where new foreign branches—notably in Luxembourg, London and New York—have been burrowing in recent years. Foreign investment in Denmark, on the other hand, covers a wider range of activity, with the EEC topping the list (645m kroner, half of which came from West Germany alone), followed by Sweden (164m kroner) and the United States (125m kroner).

The EEC also dominates outward-going Danish investments (675m kroner, of which Britain's 232m kroner accounted for almost half). The United States (218m kroner) was the second most important foreign country Denmark invested in in 1979. The most important direct foreign investments in Denmark to the coming years will be in North Sea oil and gas, and because of the constraints of Danish economic policy, export-oriented companies will be an important target for indirect investment.

Legislation going through the Folketing (parliament) and due to be passed by the

summer recess, will end the exclusive concession held by A. P. Møller, the Danish industrial and prospecting company, since 1962, opening 80 per cent of Denmark's offshore North Sea area to other prospectors. Although Møller, which exercises the concession through the so-called Danish Under-ground Consortium, in cooperation with Shell, Standard Oil and Texaco, will retain about 20 per cent of Denmark's North Sea business, there will be wide scope for new investment in the rest of the area (as well as in allied pipeline construction) from the beginning of next year.

According to the Ministry of Energy, about 20 companies—most of them foreign, and including Mobil, which already has important interests and experience in the British and Norwegian North Sea sectors—have so far shown interest in the new concessions to the Danish area.

Although representing investment on a much smaller scale, regional development aid is available to Danish as well as to foreign enterprises through the Regional Development Board, based in Silkeborg, near Aarhus, Jutland. There are five designated regional development areas in Denmark: North, South and West Jutland in the west of the country, Balke islands of Lolland-Falster and Mon, and Bornholm in the east. In 1979 the Danish Regional Development Board granted aid, loans and guarantees worth 311m kroner to 155 companies, mainly in the iron, metal and machinery industries.

Not since 1977-78 has the board aided a foreign investor. Regional development shares, National bank figures show net equity sales to non-residents climbing to 326m kroner for the first nine months of last year—an increase of 35m kroner over the same period in 1979. Non-residents were first allowed to buy Danish shares when Denmark joined the EEC in 1973.

The increasing foreign interest in Danish shares



The Little Mermaid—a figurine by Royal Copenhagen Porcelain, one of Denmark's most important exporters.

comes mainly from large private and institutional investors in the United States, Switzerland and Britain. It has focused on a handful of internationally oriented Danish companies such as

Novo, the industrial and pharmaceutical company, the leading shipping and industrial companies East Asiatic and A. P. Møller, P. L. Smidth (cement), United Breweries (Carlsberg and Tuborg), the Danish Spirit Factories (which produce Danish Aalborg Snaps and other liquors), the Danish Sugar Factories, Sophus Behrendsen (engineering and chemical products), Superfos (fertilizers) and some insurance companies. The marked increase in non-resident equity demand has been caused by well-managed marketing campaigns abroad by the most sought-after businesses.

Foreign investment moved over into shares after the Danish Government banned foreign purchases of state bonds in 1975. Non-resident demand did not subsequently switch to private sector debentures, probably because the Danish bond market differs markedly from its counterparts in other Western European countries.

Christopher Follett

Agriculture

Long, slim pig—fat market

The saying that everything on a Danish pig is canned except the grunt was valid for many years but these days a lot of various meat products have a smoked finish, are exported in refrigerated containers or are produced and packed for deep-frozen transport.

Denmark is the world's largest exporter of pig meat, and this group of products is its most important export, 47.2 per cent of which went to Britain in 1980. The value of pig meat exports in 1980 was 11,100m kroner. Seventy per cent of bacon imported to Britain is Danish and 40 per cent of all bacon consumed in Britain comes from Denmark.

Forty per cent of the total agricultural export goes to Britain and about 80 per cent of the bacon produced in Denmark is exported, England being the principal market, although pig meat products are sold to more than 140 countries throughout the world.

During 1980, 14,100,000 pigs were slaughtered in Denmark on 96,000 farms, which employ about 100,000 people. In addition, about 14,000 people are employed in bacon factories, canneries, meat factories, casing plants and lard refineries.

During the past 80 years the farmers have worked at breeding a pig which met with the consumers' taste. The result is the long, slim pig which is incessantly being improved through close cooperation between farms, bacon factories and research workers.

Forty per cent of the pigs received by export factories are cured for bacon but other cuts of the meat are exported as well, together with beef, mutton and variously processed.

The Danes realize the crucial importance of the British market and in 1977 the Danish Bacon Factories' Export Association, EES-Food, which administers the export of bacon, set up its own organization in Britain, EES-Food (United Kingdom), to coordinate British activities more closely.

Although pig meat is the most important item of agricultural export, beef and veal play an important role. The Danish Livestock and Meat Board says that the export of beef and veal to Britain during the first 11 months of 1980 had a value of 88.8m kroner. But it is not only meat that represents an important role among Denmark's agricultural exports. This dairy products are important as well.

The principal dairy items are butter, cheese and, lately, sour products such as yogurt and junket, which have been received favourably by the British consumers. On the subject of dairy exports to Britain, Mr. Hanning Mortensen of the Danish Dairy Federation says: "England is the biggest market for our products and during recent years there has been a remarkable increase in the export of cheese and, last year, of yogurt and junket."

In 1980 the total dairy export was 5,500m kroner, of which exports to Britain

Denmark and Britain are traditionally good trading partners. Bilateral political relations—barring clashes of interest over agriculture and fisheries, both of which must be seen in the larger context of the European Community—are likewise generally positive.

According to British Department of Trade figures, trade between the two countries is at present almost in balance, with British exports to Denmark in 1980 amounting to £1,016m (compared with £1,032m in 1979) and Danish exports to the United Kingdom £1,044m for last year, marginally up on the total for 1979.

While Britain remains by far the biggest export market for Danish agricultural products, the trading pattern between the two countries has changed distinctly since they both entered the European Community in 1973. Whereas Britain was indisputably Denmark's biggest export market in the days of EFTA, EEC membership has led to a dramatic blossoming in Danish trade with West Germany, which is now Denmark's top export market, with Britain second.

As regards industrial exports alone, Britain now lies third in importance. Seen from the British side, Denmark is no longer one of the top 10 export markets, having fallen to twelfth place.

On the other hand, the United Kingdom absorbs 15 per cent (and rising) of total Danish exports. Were the British suddenly to stop exporting goods delivery and packaging, are also to some extent behind the sluggishness of traditional British exports such as machine

(£477m in 1980) account for almost half of total Danish exports to the United Kingdom.

At a total of £386.6m (representing a massive 20 per cent of total production) Danish agricultural products account for just over half (53 per cent), while industrial products at £354.6m (29 per cent) come in second place. Machinery (£143m) is the most important single Danish export to Britain after bacon and meat products, with shipping an increasingly important source of invisible earnings for Denmark.

Despite suffering from the high level of the pound, British exports to Denmark are generally healthy. Here petroleum and allied petroleum products are the highest individual item, amounting last year to £403.1m (£364.8m in 1979), well ahead of the second most important item, machinery, which has been losing ground. In recent years, however, British North Sea oil knowledge, including design of bore platforms and ancillary services, has boosted invisible exports to Denmark, which are still traditionally dominated by insurance.

The trade pattern has been consistent in recent years, with petroleum and associated activity propping up British exports to Denmark to the detriment of machinery (£162m), where an upward trend in exports has failed to materialize. So-called non-price factors, including goods delivery and packaging, are also to some extent behind the sluggishness of traditional British exports such as machine

Commerce

Partnership pattern has changed since entry into EEC

tools and manufactured goods to Denmark. Despite its economic problems, Denmark, which enjoys a GDP per capita twice that

of Britain, is a rich market for the United Kingdom and one that is confidently expected to expand in the coming years. Similarly the British recession has failed to daunt the Danes' expectation of increased exports.

C.F.

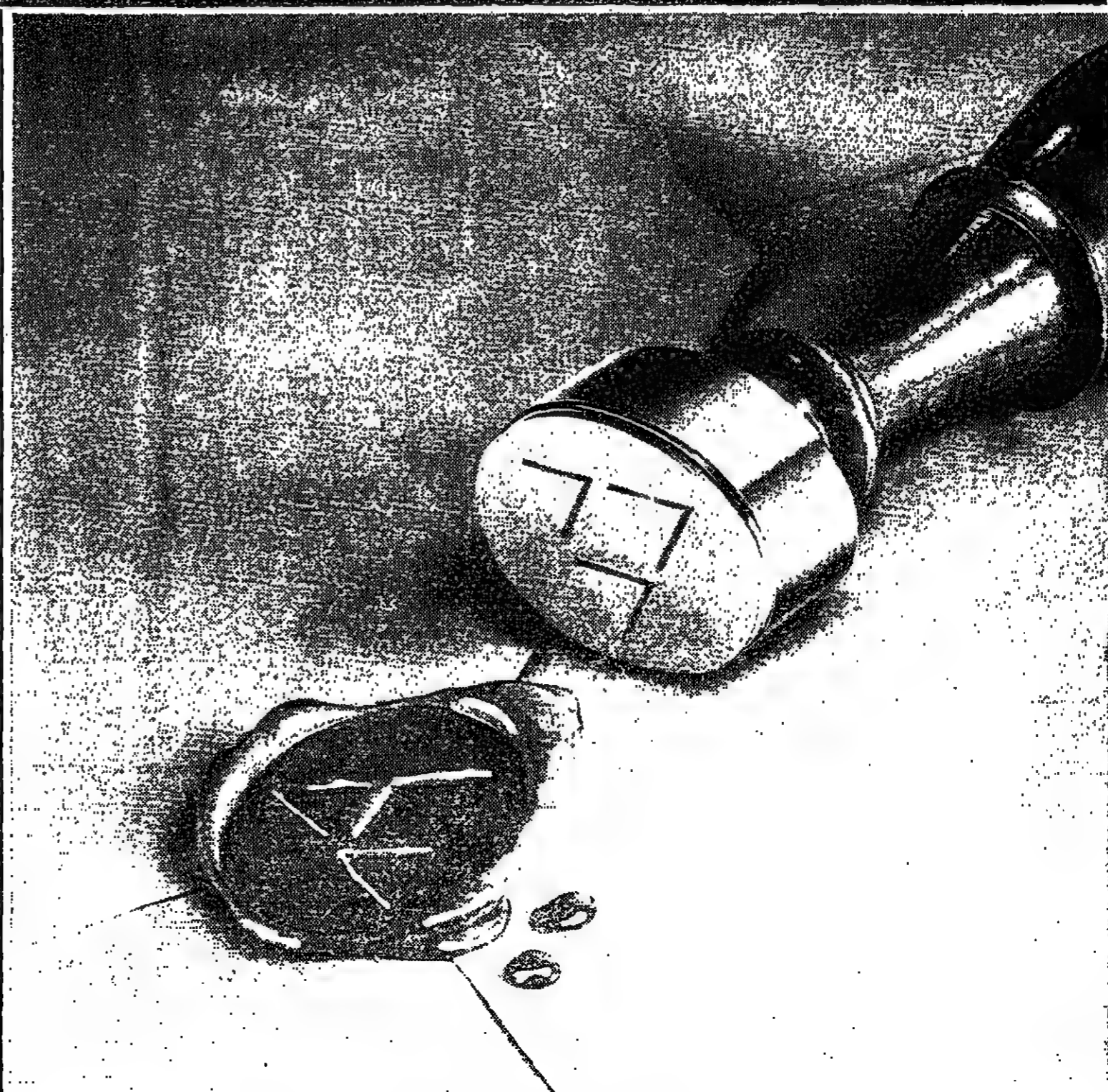
Danish exports to UK (£m)

	1979	1980	% change
Food and live animals	572.4	586.6	+ 2.5
including:			
meat	(370.4)	(368.7)	- 0.5
dairy products	(104.7)	(108.6)	+ 3.9
fish	(41.4)	(49.1)	+18.6
feeding stuffs for animals	(17.9)	(23.2)	+29.6
sugar	(15.9)	(18.0)	+ 6.5
Machinery and transport equipment	182.2	177.8	- 2.4
including:			
general industrial machinery	(55.5)	(50.8)	- 8.5
electrical machinery	(27.1)	(26.3)	- 2.9
specialized machinery	(26.5)	(25.9)	- 2.2
Manufactured goods	104.8	106.6	+ 1.7
including:			
textile yarns and fabrics	(31.1)	(31.0)	- 0.3
chemicals and related products	50.7	49.4	- 2.6
crude materials (except fuels)	42.5	44.4	+ 4.5
Petroleum	30.7	32.7	+ 6.5
All other goods	97.7	106.5	+ 9.0
Total	1,081.0	1,104.0	+ 2.1

Danish imports from UK (£m)

	1979	1980	% change
Petroleum	370.4	403.1	+ 8.8
Machinery and transport equipment	236.6	228.1	- 3.6
including:			
road vehicles	(56.6)	(40.0)	-29.3
specialized machinery	(56.6)	(34.8)	-38.5
general industrial machinery	(32.1)	(34.8)	+ 8.4
electrical machinery	(25.3)	(32.5)	+28.4
office and data processing machinery	(26.8)	(30.7)	+14.5
power generating machinery	(18.2)	(19.4)	+ 6.6
Manufactured goods	152.3	134.8	-11.5
including:			
textile yarns and fabrics	(43.7)	(38.0)	-12.8
iron and steel	(37.2)	(23.5)	-36.8
chemicals and related products	83.5	86.9	+ 4.1
food and live animals	26.1	30.3	+15.7
clothing and accessories	29.6	22.8	-23.0
All other goods	117.5	126.0	+ 7.2
Total	1,016.0	1,032.0	+ 1.6

Source: Overseas trade statistics, UK.



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Dear readers,



As Lord Mayor of Aarhus and in my capacity of Chairman of the Port of Aarhus I shall with pleasure give you some facts about our continental capital of Denmark, the second city.

Aarhus is situated on the E3—midway between the German border and Skagen. To the North, West and South, it verges on some of Denmark's most favoured holiday country.

To the East it lies open to the fresh blue waters of the Bay. With its 250,000 inhabitants it is the second largest city in the country. It is an active city with many large industries and commercial enterprises and a busy port. Aarhus University, the School of Commerce and other institutions of further education have helped to shape the city's cultural life. Aarhus offers its visitors a wide choice in the way of theatre, concerts, galleries and museums.

Regarding our harbour, I am pleased to say that it grows—keeping pace with developments, moving with the times. The new Eastern Harbour Division accentuates the importance of the Port of Aarhus as a central harbour.

The Container Terminal in the Northern Harbour Division has an annual turnover of about 100,000 20-foot units.

Extensions of 11 hectare are being prepared. Handling will be improved by means of a new container crane (No. 3).

Don't forget the daily direct SAS-flight Gatwick-Tirstrup (except Saturday).

By plane, by train, by car, by ship or horse—by all means Welcome to Aarhus

Yours sincerely



ORLA S. HILLESTED
LORD MAYOR

Annelise Hopson

Books for Lent

Leader of the loyal opposition

A Passion for Truth

Hans Kung: a biography
By Robert Nowell
(Collins, £9.95)

There are striking resemblances between Hans Kung and Karol Wojtyla. Both hail from devoutly Catholic rural communities, the one Swiss, the other Polish. Both are fair haired, broad faced, chunky, athletic men with a passion for physical fitness, keen swimmers, vigorous skiers. Both are exceptionally gifted linguists, intellectuals with wide cultural interests, and possessing an enviable knack of communicating their religious ideas to audiences of all descriptions. Both are writers and academics. But Wojtyla is now Pope, and Kung the leader of His Holiness's loyal opposition.

There is another resemblance which makes their relative positions in the Catholic firmament even more curious. It is the fact that each is deeply conscious of being a priest, called to preach the gospel to every creature. They are first and foremost pastoral men with a passionate desire to demonstrate how faith in God is the key to fullness of humanity, and to present the noblest possible vision of Christian life. Both set out with no greater ambition than to be simple parish priests, and were drawn almost accidentally on to a wider stage, the one as Pontiff, the other as the Church's most celebrated international theologian.

After reading this excellent study by Robert Nowell, himself an able theologian and former editor of the Catholic periodical *Herder Correspondence*, it seems not entirely fantastical to suggest that if the two men's birthplaces had been reversed so too might have been their present roles. It is not so much a biography as a theological boxing commentary with round by round descriptions of the dispute over his orthodoxy between Kung and the Sacred Congregation for the Doctrine of the Faith, culminating last year in the withdrawal of his licence



"Grande Pitié" by Jean Malouel from Monasteries of Western Europe by Wolfgang Braunfels (Thames & Hudson, £7.50).

as an accredited Catholic theologian. Kung's voluminous publications are brilliantly summarized, the controversial issues neatly analysed, and the climate of intellectual life within the Church both before and after the Second Vatican Council accurately depicted.

The Pope's experience as a churchman struggling to preserve religious faith and the institutional church in an atheistic authoritarian State clearly accounts for the stress he places on the conservative and hierarchical elements in Church doctrine and order. In contrast, Kung grew up in a country not only politically democratic but where bishops and priests are traditionally chosen by their people. His inherited respect for personal freedom and personal responsibility, and for the involvement of the whole community

in decision-making, have been reinforced not only by the freer political atmosphere and intellectual atmosphere of western Europe, but by his experience of a church crippled less by outside oppression than by its own internal weaknesses; surely suspicion of secular ideas and theological development, a divorce of doctrine from life, an image of frowning asceticism, and, not least, an incapacity to re-state the message of the gospel in fresh language and images intelligible to twentieth century man. To a great extent the Second Vatican Council confirmed this diagnosis, though it did not result in all the remedies he then proposed and still proposes.

Kung is a serious scholar, highly respected even by theologians who find themselves at odds with his views. He is also

an effective popularizer. It is the combination of scholarship with rare gifts of popular exposition which have made him an effective apologist capable of startling the apathetic into a fresh appreciation of the Christian vision, and a dangerous threat to those who believe he sails too close to the wind in his desire to reformulate traditional statements of doctrine. The corpus of his work reveals consistent, systematic development. He builds steadily on previous work and returns again and again to the same themes: that the Church does not own God, but God the Church; that very development in Christian thought and practice must be tested against the scriptures and the tradition of the early Christian community; that the Church can err but that occasional errors do not detract

from its essential indefectibility; that there is no sharp division between the life of nature and the life of grace; that every statement of doctrine and every practical expression of doctrine is culturally conditioned and therefore implies an element of relativity. Above all he has insisted that the Christian faith is robust enough to pursue the truth wherever it leads, and that to confess mistakes is better than to save face.

He has in addition taxed Roman officialdom with doctrinal immobility, an obsession with institutional prestige, and habitual reduction of the great commandment to pettifoggery, and sometimes cruel, legalism. These sharp attacks on the Roman bureaucracy may have more to do with the censure passed on him than any adventurous doctrine; unpalatable views are more easily tolerated by authorities, whether political or ecclesiastical, than cheek. But even those who are inspired by his work, and believe that his targets are well chosen, may sometimes wonder whether Kung does not unwittingly inflame the importance of Rome by harping on its defects. There is a much richer Catholic life than the Vatican represents. Rome has always blessed the tail-lights of theological movements, pastoral developments and spiritual exercises which are already well down the road. There are a myriad of delicate relationships between Catholics apart from the rarely advertised relationship with Rome.

And though intellectual integrity is a Christian duty, there are other kinds of experience, including the mystical, through which God tutors the faithful. If the Catholic Church depended on a clean, well-lighted Rome it would long ago have crumbled to dust. As this book reveals, there is no doubting Kung's bravery, honesty and insight. But perhaps he chokes too easily on the language of church officials, and under-estimates the mummification of the ordinary Catholic whose faith he so frequently hymns. After all he himself is living proof that the faithful can recognize the merits in and works, whether or not they carry a *Nihil Obstat*.

John Harriott

The old religion

Christian England
Its Story to the Reformation
By David L. Edwards
(Collins, £7.95)

In St George's Chapel, Windsor, the dean sits in the Sovereign's stall. When the Sovereign is present the dean has his place in the sanctuary. This peaceful co-existence was interrupted only once, in the eighteenth century, when the king and the dean fought for a seat. Oh, to have witnessed that paradigm of church and state, that untimely challenge to Royal supremacy! The battle for the chief seats had been lost by the church some 300 years earlier. The Reformation is still a wound in English Christianity, and a scar in national life. A Roman Catholic writer described it as "The Fort is betrayed". David Edwards neatly explains that the betrayed castle became the Englishman's home, and shows that the way to understand the Reformation is not through the distorting lens of hindsight but by taking the long view to observe the interdependence of church and state through 13 centuries. Romantic pictures of medieval piety are not enough.

This book describes the growth of two institutions, one of temporal, the other of spiritual power: each learning how to accommodate the other and the individual without destroying the corporate body. The Christianity which came first with the culture of Imperial Rome was succeeded by the piety of the Celtic church, strongest in the North. When Pope Gregory sent his missionary, Augustine, to Kent, Christianity had not died out. But, as David Edwards relates,

for all the attractiveness of the holy men associated with Lindisfarne, they lacked something: authority to teach a creed, to organize an institution, to command. When the English church was united, the union came around the authority of St Peter and his successors in the Bishopric of Rome.

The Norman conquest firmly established the church as the junior partner in governing England until the position changed with the death of Thomas Becket. His martyrdom was successful because, a century earlier, St Anselm had been able to explain men's redemption by creating a spiritual feudal system: a theological device to free the church from temporal interference enabled the church to establish temporal privilege. Three hundred and fifty years after Becket's death carloads of treasure were taken from his tomb at Canterbury to enrich the Royal coffers.

But medieval churches are not regarded today as monuments to a failed political party. Dean Edwards traces his special affection, not for the political fixings of the church but for its spiritual and artistic achievements. From the beginning, to become a Christian meant to cease to be a barbarian. Bede and Beowulf, Dame Julian and Geoffrey Chaucer, Piers Plowman and Thomas More all contributed to civilization, and their contribution is given its place. The praise of architecture is worthy of one who has served in King's College, Westminster Abbey and now Norwich Cathedral.

Those who, forgetting the bloodshed, yearn for the beauty of the past will sympathize with the pagan Anglo-Saxons who jeered at drowning monks. Nobody shall pray for them! May God save none of them! For they have robbed us of the old religion and nobody knows how to cope with all these changes!

Robert Foxcroft

Quick guide

Christianity in Roman Britain to AD 500, by Charles Thomas (Barnford, £14.95). Christianity arrived in Britain three centuries before Augustine. It was not pushed into the sea by the invasions of pagan Barbarians that swept over Romano-British civilization in the fifth century. This first definitive study of our earliest Christian ancestors for 70 years brings together the latest evidence from history, archaeology, and language, particularly place-names and the currency of spoken Latin. The Professor of Cornish Studies at Exeter University demonstrates persuasively how a Christian element among the British survived the Saxon conquests on a scale far greater than formerly believed. He covers the dark, forgotten ground from churches to heresies, burials to bishops, language to art, especially the church symbols, and from the European connexion to St Nialan taking the faith to southern Scotland and St Patrick to Ireland.

The Human Potential, by Peter Hinchliff and David Young (Darton, Longman and Todd, £1.50). The authors write for those who, and do not believe, relating God and the churches to everyday existence in a society which ignores God, unwilling to accept that love and self-sacrifice are essential to a Christian life. The Christian is called to live by a very great ideal, every deviation from which contains the seeds of tragedy, they say, not dodging the problem of evil, pointing out that least transformed men and women, not society, by love. If you want to read one book for Lent, this is it.

From holy lives

Holiness
By Donald Nicholl
(Darton, Longman & Todd, £3.95)

The last few years have seen a spate of books on spirituality and holiness, and this work by the Professor of History and Religious Studies at Santa Cruz, California, is an eminently practical addition to the flood. That should not be a comfortable thought. A recent survey by a group of editors of religious journals found not only that their readership was drawn almost entirely from the upper income bracket, but that though they had a marked desire for articles about spirituality, mysticism and holiness, they had no interest in articles about social justice. As one might expect from a book arising out of the monthly conferences he has given to the Poor Clares since 1974, while Donald Nicholl draws richly on a spectrum of spirituality ranging far outside the Christian tradition to the religions of the East, he makes few concessions to those who like their holiness untainted by the world.

Locating the heart of holiness ultimately in the joy of self-sacrifice, Mr Nicholl helps us first to find the starting-point for such a journey into true humanity. Believing that one truly holy person is worth more than any number of books, he stocks his work with a wealth of illustrations drawn from those holy lives which illuminate each generation. Perhaps inevitably Mother Theresa, with whom he has worked, dominates the book not through the infrequent mention of her name, but as a contemporary model of that holiness of response which drew her from good works among rich Indian girls to serve among the poorest of the poor. The book is a model of holiness in its own right, whose ability to take the place of another in the gas-chamber was formed by his long-standing practice of giving others the place in his own conscience. The path to self-sacrifice starts far back in matters of minute particular, and the silken thread of selfish habit which binds us to the earth as firmly as any iron chain can only be loosened by the gentle tug of author remarks us of Thomas Merton's dictum that "no-one can become holy without being plunged into the mystery of suffering, and warns us that advance is impossible if we have decided beforehand that suffering and joy are mutually exclusive.

Our Western view of man's development from utter dependence into total autonomy is contrasted with the Japanese view that he grows from the womb of his lonely baby into a community and interdependence of friends, and we are reminded that the great contemplative Guides such as St John of the Cross and Bunsen Scopus themselves spoke from the midst of communities. English readers nourished by Aelred of Rievaulx will be encouraged that Mr Nicholl sees our need for friendships not as a sign of weakness, but as a sign of health, built upon the image of a Trinitarian God. It is consistent with that tradition of English spirituality that he quotes Meister Eckhardt's maxim that "Wisdom (ie holiness) consists in doing the next thing you have to do, and finding delight in doing it". Mr Nicholl is to be thanked for such a substantial and down-to-earth book.

Nicholas Coulton

Transplantation and recultivation

Christianity in the Southern Hemisphere
The Churches in Latin America and South Africa
By Edward Norman
(Oxford £12.50)

The objective of the 1978 Reith Lectures, Edward Norman, in his more recent Birkbeck and Pridaau Lectures, which form the basis of his book, was ambitious: to examine "the relationship between the ecclesiastical and the political and social histories of two apparently quite different areas of the world—Latin America and Southern Africa... looked at as enormous and complicated examples of what happens to European religious institutions when transplanted and recultivated in unfamiliar circumstances, and in contact with peoples of alien indigenous

cultures". Dr Norman reminds us in his preface that there has been surprisingly little ecclesiastical history in both areas. Some Latin American countries are without a single account of the Catholic Church... In South Africa there are a few denominational histories. Later, Dr Norman records that in 1970 there were 3,000 separate churches and sects in South Africa (which doesn't exactly assist the writing of the past will sympathize with the pagan Anglo-Saxons who jeered at drowning monks. Nobody shall pray for them! May God save none of them! For they have robbed us of the old religion and nobody knows how to cope with all these changes!

Faced with such "enormous and complicated examples", with "surprisingly little ecclesiastical history in both areas", many would say it would be foolhardy for Dr Norman to attempt to reach his objective—in 200 pages: that

comparative analysis should wait upon that fuller historical research and writing that Dr Norman implies must yet be undertaken. However, Dr Norman is himself clearly a much-travelled man and includes over 250 books in his 12-page bibliography; and undoubtedly his study takes his readers into important aspects of contemporary religion and society and exposes some of the questions which will not wait upon more adequate research, even if the fruits of comparison are few.

In so brief a study of so vast a canvas, personal opinion—on which so much more might be said—needs to be frequent. One quotation from the Latin American section will serve to illustrate: "Nothing so critical to the class and cultural cooperation of the contemporary progressive, urban

thought of the Catholic leadership from the values of Catholic folk religion than the Bishop of Curacao's opposition, in 1969 to the construction of a new basilica at Guadalupe on the grounds that the money would have been better spent on social projects. Pope John Paul II was rather more sensitive to the values of popular religion when he visited Mexico for the Puebla Conference of Latin American bishops in January, 1979. Calling the Mexicans "the people of God", he placed them under the protection of the Virgin of Guadalupe—at whose shrine he spent a week of illustrations drawn from those holy lives which illuminate each generation. Perhaps inevitably Mother Theresa, with whom he has worked, dominates the book not through the infrequent mention of her name, but as a contemporary model of that holiness of response which drew her from good works among rich Indian girls to serve among the poorest of the poor. The book is a model of holiness in its own right, whose ability to take the place of another in the gas-chamber was formed by his long-standing practice of giving others the place in his own conscience. The path to self-sacrifice starts far back in matters of minute particular, and the silken thread of selfish habit which binds us to the earth as firmly as any iron chain can only be loosened by the gentle tug of author remarks us of Thomas Merton's dictum that "no-one can become holy without being plunged into the mystery of suffering, and warns us that advance is impossible if we have decided beforehand that suffering and joy are mutually exclusive.

Dr Norman divides his study into sections on "Church and State", "Frontier Religion and Secularism", and "Christian

Social Issues", with a section on "The Liberal Critique of Catholicism" related to Latin America, and "The Churches and the Race Question" related to South Africa. I was not surprised to see that although such weakness as Desmond's work as *Cosmos* Desmond's *Christians or Capitalists? Christianity and Politics in South Africa* is included in the bibliography, its judgments seem to have received little notice from Dr Norman; but with so big a bibliography I was surprised to see no mention of the writings of Dr Basil Davidson (eg. *Africa in Modern History*, 1978).

And are not 50 misprints in 200 pages (including eight lines of Africans lacking the promised English translation) the unacceptable face of publishing today?

Eric James

No tax relief in respect of polygamous wife

Nabi v Heaton (Inspector of Taxes)
Before Mr Justice Vinelott
(Judgment delivered February 27)

For income tax purposes a man may only have one wife and can only claim personal relief for her if she either lives with him or is maintained by him. Section 8(1) of the Income and Corporation Taxes Act, 1970, does not entitle a claimant to relief for a polygamous wife maintained by him even if English law should recognize the second marriage contracted under Modern law as valid.

His Lordship so held in dismissing an appeal by Mr Gulam Nabi from a decision of general commissioners in Bolton refusing him the relief.

Mr Nabi came to the United Kingdom from Pakistan in 1965, and three years later married Amir under English law. The marriage failed, and they separated in 1968. Mr Nabi went to Pakistan, where he married Suria, a Muslim, in a ceremony of the Islamic faith. He then returned to the United Kingdom and maintained Suria and their children until he died in 1975. For the purposes of the proceedings the parties agreed that Mr Nabi was domiciled in Pakistan at the time of his marriage to Suria Begum.

He appealed against assessments to Suria's income tax for 1970-71 claiming entitlement to personal relief in respect of Suria. The commissioners held that his second marriage was not valid according to English law and dismissed the appeal.

Section 8 provides a claimant with the relief "if he proves—(i) that for the year of assessment he has been living with his wife, and (ii) that his wife is wholly maintained by him during the year of assessment, and that he is not

entitled in computing the amount of his income for that year to deduct in respect of the sum paid for the maintenance of his wife."

Mr J. W. Shock for Mr Nabi, Mr R. B. Carnwath for the Crown.

MR JUSTICE VINELOTT said that in support of his claim for the relief Mr Nabi referred to a number of cases that established that a potentially polygamous marriage might now be regarded as valid under English law. In particular he relied on *Imam Din v. National Assistance Board* (1967) 2 QB 33, where a wife under a polygamous marriage was held to be the appellant's "wife" within the meaning of the National Assistance Act, 1948.

Lord Justice Salmon, in so deciding said: "When a question arises of recognizing a foreign marriage or of construing the word 'wife' in a statute, everything depends upon the nature of the question. It is to be recognized and upon the objects of the statute. I ask myself first of all: is there any good reason why the appellant's wife and children should not be recognized as his wife and children for the purpose of the National Assistance Act, 1948? I can find no good reason, and every reason in common sense and justice why they should be so recognized."

Mr Shock submitted that since the war the courts and the legislature had moved a long way towards recognizing polygamous marriages as valid. There was no ground of policy to prevent the court from recognizing the validity of a potentially or actually polygamous marriage for the purposes of section 8. Even if a man was treated for a day, Mr Nabi was married to two women he could only claim relief for one, and then only if he was living with or maintaining one of them.

The husband said that before their marriage his wife had agreed that the purchase of the Barnett property should be his joint names and that she would remain in occupation of the property. He submitted that the purchase price, he submitted, was £120,000, and he claimed that he was justified in acting as he did.

It was submitted for the wife that it would be an abuse of process to make an order freezing any part of the sale proceeds. The husband's case was that he had rights under section 1(1)(b) of the Matrimonial Causes Act, 1973, as a spouse not in occupation of the matrimonial home; that he did not want to occupy the home; that he did not want to prevent the sale; that he wanted to freeze £50,000 of the proceeds of sale; that, therefore, he had a right to an order freezing £50,000 of the proceeds of sale to force his wife to apply to the court to set it aside.

Section 1 of the Act protected a spouse who had rights to remain in occupation of the matrimonial home. It did not protect a spouse who had proprietary, contractual or statutory rights of occupation. If the husband had such rights he had the right to enter and occupy with the leave of the court. The wife was liable to pay; who was the one who was entitled to the proceeds? It was quite clear that until a mortgagee entered into possession and took the rents and profits to the mortgagee, the mortgagee was not in possession of the property, and so was liable to pay the mortgage.

Then in section 17B the mortgagee was said to be a "chargee on the land". That was ambiguous and difficult to interpret, but there was a series of cases which led to the conclusion that it meant a charge on all the interests in the land. It had been submitted that the words of the statute should be confined to cases in respect of improvements and should not apply in the case of personal provisions such as the charge on the proceeds of the sale of the land meant a charge on all the interests and estates in the land, and that seemed to conform to the intention of the statute. By any view would lead to the avoidance of the charge altogether. The judge was right in holding that the mortgagee was not in possession of the property, and so was liable to pay the mortgage. The appeal should be dismissed.

The MASTER OF THE ROLLS said that the question was who was liable to pay; who was the one who was entitled to the proceeds? It was quite clear that until a mortgagee entered into possession and took the rents and profits to the mortgagee, the mortgagee was not in possession of the property, and so was liable to pay the mortgage. Then in section 17B the mortgagee was said to be a "chargee on the land". That was ambiguous and difficult to interpret, but there was a series of cases which led to the conclusion that it meant a charge on all the interests in the land. It had been submitted that the words of the statute should be confined to cases in respect of improvements and should not apply in the case of personal provisions such as the charge on the proceeds of the sale of the land meant a charge on all the interests and estates in the land, and that seemed to conform to the intention of the statute. By any view would lead to the avoidance of the charge altogether. The judge was right in holding that the mortgagee was not in possession of the property, and so was liable to pay the mortgage. The appeal should be dismissed.

Lord Justice Shaw and Lord Justice Oliver agreed.

Shopkeeper to fight law on metrication

A shopkeeper who was fined £200 by Eastbourne magistrates yesterday for contravening the Weights and Measures Act by selling vegetables, fruit and nuts in avoirdupois instead of metric weights yesterday would go to prison to fight metrickation.

Derek Howell, who runs a chain of health food shops in Sussex and Kent, was given 14 days to pay and was ordered to go to prison for 12 months if he failed to do so. He was charged with contravening the Weights and Measures Act by selling vegetables, fruit and nuts in avoirdupois instead of metric weights yesterday would go to prison to fight metrickation.

The prosecution against his two stores in Terminus Road, Eastbourne, was brought by East Sussex County Council's trading standards department.

Mr Howell claimed that metrickation made things confusing for customers who were used to pounds and ounces.

"Metrication is a nonsense now because the Government have abolished the metrickation board. I sell all my goods in Imperial weights, with the metric equivalent printed clearly alongside. If a recipe stated four grams of almonds nobody would know what it meant."

Jury is told of man who never came to dinner

John Wallace murdered his young assistant's husband after they worked together on the television programme, *It's a Knock-Out*, it was alleged today.

Mr Wallace, information officer for the District Council, knocked Jane Lewis' husband unconscious and then dumped his body in the river Arun, Mr Daniel Hollis, QC, told a jury at Lewes Crown Court.

He committed the murder on the day after the couple's first wedding anniversary, and possibly got rid of the body during a dinner party he had organized for Mrs Lewis, the jury was told.

Mr Wallace, aged 37, of Dellaway Road, Arundel, Sussex, denies murdering Mrs Lewis, aged 29, a Brighton antiques dealer, on August 5 last year.

Mr Hollis said that Mr Wallace had been in love with Mrs Lewis, aged 29, "On the very day of a surprise dinner party he had arranged in her honour, he attacked him (Mr Lewis) in such a way that his skull was fractured", Mr Hollis said.

The body was put in the boot of a car lent to Mr Wallace for the television programme, it was alleged. He probably

thought he had killed Mr Lewis, but he was still alive when he was put in the river, where he died from drowning.

"It was the case of the man who never came to dinner and the case of the man who left the dinner party in order to dispose of his victim."

Mr Hollis said that Mr Wallace, a married man, and Mrs Lewis helped to organize the programme, *It's a Knock-Out*, at Arundel last July. Mr Wallace developed an emotional attachment for her.

When Mr Wallace arrived at the dinner party he said Mr Lewis would be late. He left, saying he felt sick, and it was alleged that he could have then looked for a place to dump the body.

Mrs Lewis made several telephone calls during the dinner, then reported her husband missing.

The trial, which is expected to last three weeks, continues today.

18 crashes in fog

Thick fog caused 18 accidents involving 30 vehicles on the London-bound carriageway of the M2 between the Gillingham and Chatham intersections in Kent yesterday.

The court allowed an appeal by the employer, Acrow (Engineers) Ltd v. Raftery. An originating application claiming compensation for unfair dismissal made within the statutory time limit was refused. A previous complaint on the same grounds had been withdrawn and dismissed by an industrial tribunal. The court found that the meaning of rule 11 of the Industrial Tribunal (Labour Relations) Regulations, 1974, and would be struck out. Mr Justice Brown-Wilkinson in the Employment Appeal Tribunal.

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MR JUSTICE BROWNE WILKINSON said that the employee had withdrawn his application for a declaration of unfair dismissal before it was due to be heard because it was too unwell to represent himself and professional help was not available. The industrial tribunal had dismissed his application. Later he made a further application on the same grounds. That procedure was vexatious within the meaning of the rule. It was a waste of time and money, and it was alleged that he could have then looked for a place to dump the body.

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The economy

Deepest depression since the 1930s
—but not all is gloom

In Denmark there are no seditions, mutinies, or rebellions against the government, but all the people are, or appear to be, losers of their king, notwithstanding their treatment, and the king ships they grow under. I suppose one principal reason of this is the equality of the laws and the manner of taxing it is not to be unequal by those that see it not, what a can for it is to the subjects to be ill-used to the king.

Robert Miles, Danish envoy to Copenhagen, 1974. The Danish economy is experiencing its deepest depression since the 1930s. Not all is gloom, however. In the country still enjoying the highest material standard of living in the European Economic Community, the trade deficit fell in 1980 to 14,600m kroner (195m £) from 19,000m kroner (127m £) in 1979. Thanks to a 22 per cent improvement in exports bolstered by an increase in imports of only about 12 per cent, the holding down

Handling commerce

Embassy's dual role

There is no Anglo-Danish staff, and sometimes to telephone and other equipment. There is a small exhibition hall.

What officials describe as a small fee is charged for the use of these rooms. On the other hand, grants can be made from the Danish Trade Fund towards expenses in taking part in trade fairs and other joint presentations.

Although the emphasis is on importing, a commercial library is open to businessmen of both countries interested in mutual trade. An information letter is sent out regularly.

A Danish Club has flourished in London for well over 100 years. It is now in Knightsbridge, with 700 members in Britain and 200 in Denmark. Membership is open to Scandinavians, and other nationals with special interest in Denmark can become associate members.

Patrick O'Leary

Helping the salesman

BIU to the rescue

A Danish businessman reads in the press that a British firm is about to launch a pocket radio-telephone on the market and he wants the sales agency in Denmark. He has not done any business with Britain before, so how does he cope? He contacts the British Import Union (BIU), which will help him with the British contacts and practical matters.

For more than a century BIU in Copenhagen has worked for the greatest possible cooperation between Denmark and the United Kingdom. The union's stated objective is to pursue that aim on the basis of strong historical, cultural and economic ties between the two countries. Yet the name of the union implies that its object is merely to promote imports from Britain. This was the original intention but the union's

The butter market

Declining exports to Britain a problem

Mr Jens Majaard might be described as the king of the Danish butter mountain. A fluent and effusive Eurocrat, he is the managing director of Butterdane, the country's cooperative export marketing organization which has its headquarters in Aarhus, Jutland. With butter consumption in Britain, Denmark's largest customer, declining Mr Majaard will have his work cut out in the next 12 months not only to stabilize the position but to improve overall sales in the face of competition from New Zealand—and from margarine.

Last year butter consumption in Britain was about 380,000 tonnes, which was about 12 per cent less than in the previous year. According to one survey of EEC countries Britain's per capita consumption of butter has fallen steadily from 8.8 kg in 1963 to an estimated 5.3 kg last year, while during that period the consumption of margarine has gone up in roughly the same proportions. Denmark has the second largest share of the British butter market, with 10.9 per cent, after New Zealand which has by far the largest share with 26.1 per cent apart from British butter makers, who hold 29.6 per cent.

Christopher Follett



Mr Jens Majaard, managing director of Butterdane: king of the Danish butter mountain.

On Mr Langebaek's initiative the Anglo Danish Trade Advisory Board was founded in London in 1979 as the first of its kind in any capital. It is run from the Danish embassy and has had considerable success in guiding United Kingdom businessmen.

The BIU arranges working lunches at which leaders of commerce and industry, government ministers and men of letters give lectures.

On the export side, various institutions operate to help visiting businessmen. Ministries involved include foreign affairs, through its trade department, and agriculture, industry and fisheries. Four principal institutions operate: the Federation of Danish Industries, the Danish Handicraft Council, the Agricultural Council and the Danish Chamber of Commerce.

Annelise Hopson

According to Mr Majaard there were several factors responsible for the decline in Britain's consumption: the general recession, higher prices compared with those of margarine, and adverse publicity resulting from the health issues.

"But there will be an increase in sales to Britain during 1981 and 1982", Mr Majaard predicted. He said that the decline in consumption would definitely halt. He described the health issue as "a bluff", said that it was over in West Germany where sales were picking up, and implied that the same would happen in Britain. Butterdane hopes that it will take 13.5 per cent of the market share—the highest for five years—which would be equivalent to 40,000 tonnes of Lurpak and Danesca packets.

Last year sales to Britain were about 37,000 tonnes of packet butter, 5,500 tonnes less than in 1979. This was

partly because there had been a shortage of milk in Denmark at the beginning of the year and also because of increasing cheese production. Speaking about New Zealand, "our competitor and colleague", Mr Majaard said he felt no animosity towards it as a butter producer. "Our main criticism is against the United Kingdom Government and the EEC", he said.

He went on: "We have got to the point where we have to accept that there should be reduced access for New Zealand butter. We feel that to some extent

Michael Frenchman

Industrial locations

Just a sea of islands

Denmark is really a sea of islands with only one part, Jutland, connected to the mainland of Europe. Apart from Copenhagen, the capital and industrial centre of the country, its other three major towns, Aarhus, Aalborg, and Esbjerg, are all in Jutland which stretches northwards from Germany tapering to a spit of sand at Skagen (the Skaw) sticking out into the channel between Denmark and Sweden.

The spit of sand, Grenen, literally means 'twice', when translated into English. And this is all it really seems to be as it almost bends and moves as the fierce winds and currents of the Skagerrak pour across its spit.

Aarhus, more than a thousand years old was a Viking settlement once and today is a major port with about 250,000 inhabitants. The harbour is being enlarged with an extended container handling facility. There are more than 200 medium and large industrial companies here because of the general economic situation in Denmark industrial development and business is not too good at present.

"In fact we are stagnating. There is too much rain, too much rain from an industrial point of view", said Mr Erik Skov, manager of the Danish Provincial Chamber of Commerce in Aarhus. "We are waiting for the Government to do something. We must have some stability with wage levels, and there is a little more optimism today than there was recently."

Mr Skov thought that some of the larger companies were not facing the same problems as the smaller ones, those with less than 200 employees. Many of the latter had developed good technical knowledge and manufacturing skills which they were unable to capitalize on in order to export.

Mr Skov explained: "This is because we suffer from a lack of language expertise. Many directors of these small companies with good creative ideas do not have language ability and only speak Danish. Hence they cannot get into the export scene."

Further north, at Aalborg, world renowned for its aquatics, which is named after the city, the North Jutland Development Corporation is

trying to attract foreign investment. It recently hired the Chicago-based Futurus Company to prepare a business investment plan for the area to attract United States companies. About 600 American businessmen have been approached so far.

"We believe that about 40 may be interested", said Mr Jens Skov, of the development corporation. Most of these are in high technology areas, mainly electronics.

Next, moving representatives of the North Jutland Development Corporation will be going to the United States to try to clinch a deal with some of the interested companies. "If we only get one, we shall be happy", Mr Skov said.

Esbjerg, on the west coast is the main ferry port for services between Denmark and Britain. It is from there that DFDS has been operating links with Britain for 100 years, mostly to Harwich. On this service the line carried 400,000 passengers last year—representing 63 per cent of the capacity with 100 per cent for vehicles. DFDS also operates a joint service between Newcastle upon Tyne and Gothenberg in Sweden for the three summer months.

Esbjerg is the main export port for Danish products to Britain. Most of these are agriculturally based and originate from the surrounding hinterland of Jutland.

As a tourist area Jutland, with its miles of beaches and sand dunes, has much to offer. There are thousands of holiday cottages to let and it is ideal country for hiking and cycling, with low undulating hills often crowned with beechwoods. For the beachman, the Limfjorden, links the North Sea with the calmer waters of the eastern inner sea. There are many yacht harbours which are often packed in the summer months.

For the archaeologist there are Viking ruins and settlements from the ancient town of Hedeby in the south to the folk museum with the "bog man" at the mansion of Moesgaard near Aarhus. Moesgaard also has some reconstructed prehistoric houses and in Aarhus itself is a delightful Gamle By, or old town where old houses and shops from the medieval age to the nineteenth century have been assembled as a historic tourist attraction.

M.F.

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* International Herald Tribune, October 8, 1979

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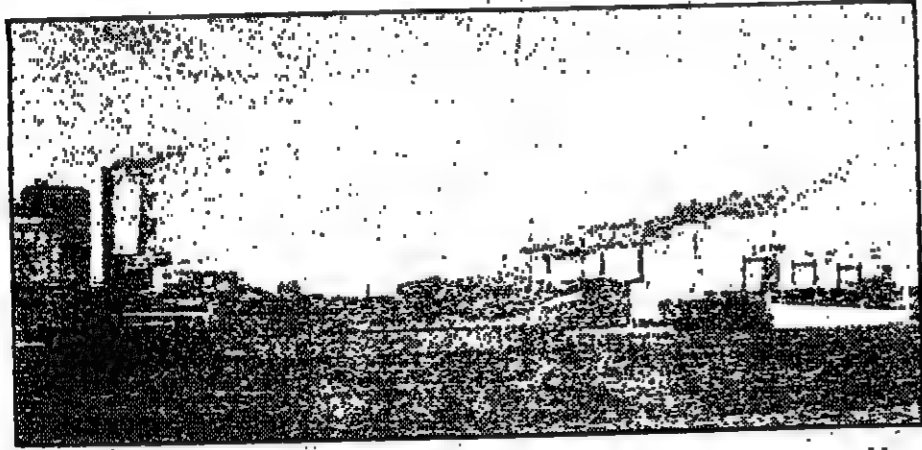
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Danish exports mean more than just bacon and butter. Some of the less familiar manufactured products as well as the better known ones are featured below

Green boxes for sound service

"There's always a lot of 'greenstuff' on most of the rigs and platforms," says Mr. Holger Kaasby, one of S.P. Radio's directors talking about Simon Petersen's green tin boxes which almost every fisherman and offshore fisherman worth his salt will have on board his boat.

S.P. Radio is the largest manufacturer of marine radios in the world and 93 per cent of its total production is for export. The company was founded in 1943 by Mr. Petersen, now nearly 80 years old, who began business by producing small domestic radios. But with the advent of television in the 1950s Mr. Petersen, who still comes into the factory every day found he was competing with about 20 other manufacturers of radio and television sets.

"So, in 1961," said Mr. Kaasby who joined the company in 1952, "we started to look around in order to find an area in the radio business in which we could specialise. In the end we found one—marine radios."

But before launching into production the company took an important marketing decision which was to have vital consequences. Mr. Kaasby explained: "We wanted to produce something which would make us different. So, working on the Henry Ford principle that you could have a car of any colour you wanted so long as it was black we decided to make all our marine radio cabinets green."

Thus the famous Petersen "green tin boxes" were born. To this day nobody claims to remember who actually chose green or why, other than that Mr. Kaasby believes the colour goes well with the gleaming mahogany woodwork to be found in many yachts.

The company's first small marine radio was the 16T which was for yachtsmen only and the set had facilities even in those early days in 1961 for radio direction finding, a means of working out your position at sea by tuning the set to a transmitter frequency beamed from the land. Altogether some 500 of these early sets were produced in the first two years but there was nothing like enough to satisfy the demand.

So, three years later the company went over entirely to producing marine radios for Danish yachtsmen and fishermen. As business grew the company began looking for overseas markets. What Mr. Kaasby says is that export opportunities multiplied rapidly and today the company has agents in more than 60 countries.

The factory in Aalborg in North Jutland has fewer than 300 employees and produces a dozen or more different models of radios from a popular small vhf radio for yachtsmen to an elaborate all-wave main station complete set for merchant vessels. Since the RT 144C model was produced for the small boat market four years ago, more than 60,000 units have been sold.

Sailor radios are not cheap as Mr. Kaasby admits. "We go for the more expensive end of the market. What we are selling is reliability and quality. All the time during our development and manufacture it is quality, quality which counts. It's no good having a radio which won't work under the worst conditions, which is when you really need it."

The sets go through rigorous quality control including violent bump testing and drop testing to make sure they can survive the type of storm conditions which may be encountered by small boats. "After all, someone's life may depend on a Sailor set," says Mr. Kaasby, recalling one yachtsman whose craft foundered after a gale off the Dutch coast.

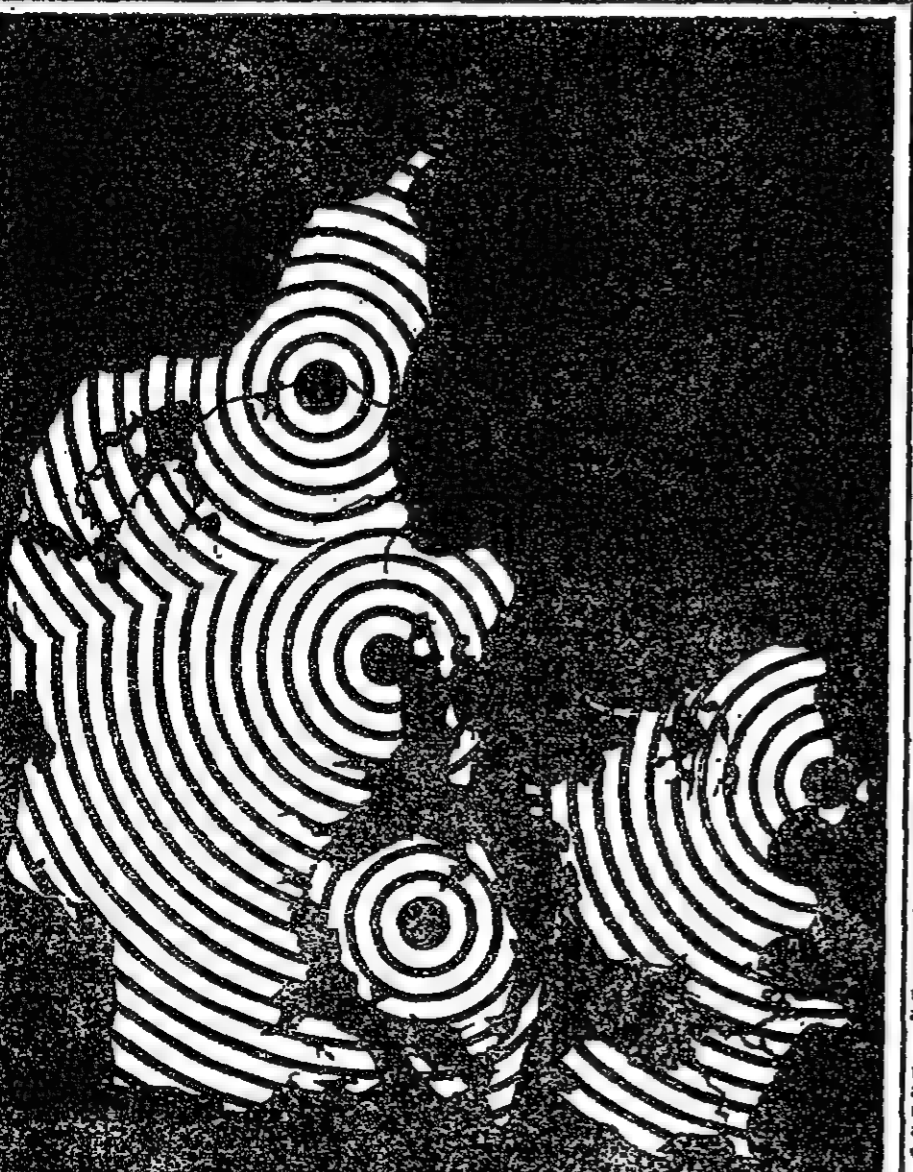
"This chap had just fitted the radio and had come through the Kiel Canal from the Baltic. Then he got in this gale and things went wrong as he had to call for help as his yacht was sinking. Luckily he was saved. Afterwards he contacted us saying it was the only time he had used the set, but it was the one call that made the radio worth while." There are no doubt many similar stories about the "green boxes".

Every set—about 60 to 70 are made daily at present—is hand-built and assembled. There is almost no automation in the small modern factory where most of the assembly work is done by deft fingered women. They work in music while doing many of the repetitive tasks.

Other notable sales increases recorded last year were in Italy, Spain, Canada and Australia, while Japan, together with markets in Africa and the Middle East, showed a 50 per cent increase in sales. In Singapore a new sales company—LEGO's seventeenth outside Denmark—was opened.

Besides its sales companies, LEGO has four production factories abroad—two in Switzerland, one in West Germany and one in the United States. LEGO's top sellers are its so-called basic boxes and product sets geared to children in the one to 14 age group. Space and train sets are also among LEGO's most popular collections. In 1981 a new series of 22 boxes for use in kindergartens and schools is to be launched.

For competitive reasons, the LEGO group declines to publish details of its turnover and consolidated accounts. However, an analysis in the normally reliable Danish financial daily newspaper *Børsen* recently put the firm's 1979 pre-tax profit in the region of 250m kroner (166.6m) with a net capital of more than 1,000m kroner (666.4m). If these estimates are accurate, LEGO rates among the top 10 most lucrative concerns in Denmark.



Decentralization

Fourteen years ago, when the Danish government decided to decentralize its administrative structure, it was a bold move. Today, the results are becoming increasingly apparent. The country is now divided into 14 regions, each with its own elected council and a mayor. This has led to a more efficient and responsive local government. The regions are responsible for a wide range of services, including education, health care, and social welfare. This decentralization has allowed for more tailored services to meet the needs of different parts of the country. It has also encouraged innovation and local initiative. The regions are now playing a much more active role in the development of the country. This is a positive step towards a more balanced and sustainable future for Denmark.

Toys go marching on

Despite stagnation in the international toy market LEGO System, the manufacturer of Lego bricks—sets of interlocking construction blocks or automatic binding bricks for children—based in Billund, Jutland, recorded a sales increase of about 25 per cent to the retail trade worldwide in 1980. The rapid growth in production and sales has led to LEGO increasing its manpower at home by 150 new jobs and abroad by almost 400 in the past year alone (the company now employs 2,400 in Denmark and 1,200 abroad).

Where Nelson shopped

After winning the Battle of Copenhagen in 1801, Lord Nelson found time to do some shopping in Copenhagen. Although he could hardly be considered a typical tourist, he did what so many visitors do today: he went straight to the Royal Copenhagen porcelain factory. He bought some china for his beloved Lady Hamilton and his total purchases were valued at 60 per cent of the total production of the factory at the time.

One of the most famous Royal Copenhagen table services is the Flora Danica. It was made in 1789 for Catherine II of Russia as a gift from the Danish royal family and was composed of 1,800 pieces. The Empress, however, died before the service was completed and it is now in the possession of the Danish royal family. The second set of Flora Danica was made in 1863 for Princess Alexandra of Denmark on the occasion of her wedding to the Prince of Wales, later King Edward VII. Since then the production and always hand-painted.

Royal Copenhagen works in two ways. On the porcelain side, artists decorate the items which may take days to complete. At the same time modern machines produce tableware at great speed. Some 50 per cent of the production is exported. Several basic bodies are used to produce different wares. The porcelains are vitrified, translucent bodies, earthenware represents a more rugged production, and a line of stoneware is made which is designed and decorated by artists.

Christopher Follett

Decades ago all over

Radio tuning by voice commands

Many years ago a reviewer attacked Danish radio design, asking: "Is it fishmongers or potato growers who design these things in their spare time?" This remark resulted in a skilled designer being employed by Bang & Olufsen, manufacturers of hi-fi equipment in Struer, northern Jutland. Their cooperation in the factory's product development division has resulted in international recognition of the excellent design and technical quality achieved.

This company, which is small by comparison with many of its competitors, has gained a remarkable position in the international market. In recognition, New York's Museum of Modern Art has chosen a representative selection of sound equipment from Bang & Olufsen for inclusion in the museum's permanent design.

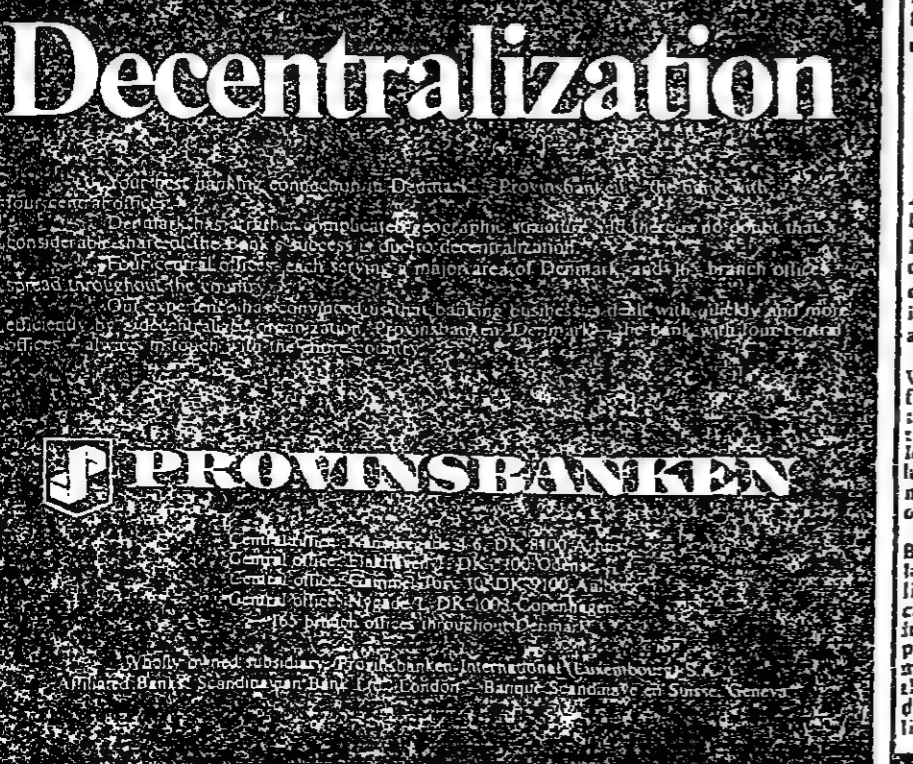
For the whole of its 56 years the company has produced radios, television sets, tape-recorders and record players. It is the only concern in the world which makes a television set with a unit that gives the viewer full remote control not only of the television programmes but also of the connected teletext and videotape apparatus.

Bang & Olufsen's slogan is that technique is the servant and not the master. Its truth may be seen in the products which are technically very complicated but easily operated. Asked about the future of the company, Mr. Kaj-Ivan Bæk says: "I believe the greatest development will take place within the video sector. In radio digitalization or impulse code modulation will gain importance. It will be possible to choose a station or programme with the sort of music or entertainment you want without knowing the station's frequency. The radio itself will seek the impulse which gives the type of programme required."

A hi-fi music system incorporating tuner, stereo amplifier, record player and cassette deck.

The company is researching pulse code modulation, which makes apparatus susceptible to commands from the human voice. "We know it can be done, and we are trying to find out how," Mr. Bæk says.

Bang & Olufsen's turnover in 1980 was 860m kroner. Exports rose by 57m kroner and are now about 600m kroner. The company employs 2,500 people in Denmark and has eight subsidiary companies abroad, including one on the important British market, Bang & Olufsen UK.



Broadcast helped penicillin research

A British wartime radio broadcast enabled the Danish pharmaceutical and biochemical company, Novo, to be among the first in the world to introduce a stable form of penicillin. When the Second World War started, research moved from the theatre of war to the United States. By that time, Novo had basic knowledge of fermentation but lacked the further technology needed for mass production of penicillin.

At about the same time British microbiologists isolated penicillin and, by listening to the British broadcast, the company received inspiration for developing penicillin in quantity by submerged fermentation rather than by surface culture. The difference is that the fungi live in the fluid nutrient

(like seaweed in the ocean) and not on the surface of the fluid only, a method which is not suited to mass production. Besides penicillin Novo makes insulin, other pharmaceuticals and enzymes. The company is one of the world's leading producers of insulin and provides about a quarter of the world's daily requirement. It started production of insulin in 1925 and has developed new and improved insulin with which to treat diabetes.

Novo produces insulin that is derived solely from the pancreatic gland of either pigs or cattle and uses milk from the glands each year to meet the worldwide demand. The company is researching into the manufacture of artificial produced human insulin by way of genetically manipulated bacteria. Its present procedure is to replace the one amino acid from the pigs' insulin with another amino acid which is characteristic for human insulin.

Novo exports 96 per cent of its products and provides the European market with half its requirements of insulin. An important Kingdom of Denmark is Novo. Last year the company had a turnover of 1,200m kroner. Though insulin and penicillin are two of its most important pharmaceutical products, Novo also numbers Heparin among its vital products. Heparin is used when treating thrombosis or in preventing its occurring. It is a hormone-like drug which regulates the delicate balance of blood chemistry on which the clotting mechanism depends.

A.H.

A.H.

New Comecon brew

The Copenhagen-based United Breweries (De Forenede Bryggerier), an amalgam of Carlsberg and Tuborg, is the largest brewery operation in northern Europe and the fifth biggest in turnover in western Europe. The group exports to some 150 countries and is Denmark's sixth largest industrial concern.

Since 1976, Carlsberg's and Tuborg's sales outside Denmark have exceeded domestic sales. The top export markets are the United States, Britain, Belgium, France, West Germany, the Middle East and Africa. In addition, Carlsberg operates in 15 countries, including Cyprus, Greece, Yugoslavia, Tunisia, Ivory Coast, Spain, Portugal, Italy, Austria, the United States and Canada.

In 1982, Tuborg will become the first western European brand of beer to be brewed in a Comecon country, after successful negotiations between the brewery and the Trust of Hungarian Breweries in Budapest.

Despite a reduction in beer consumption caused by the general economic recession and the poor summer last year, the group was able to complete an extension to its factory in Northampton, which has been in operation since 1973, recording increased demand for its beer and a net profit of £4.4m. In Africa, Carlsberg's Malawi Brewery could make a 5 per cent increase in production, while Tuborg's Turk Brewery in Izmir, despite difficult political and economic conditions in Turkey, achieved an 18 per cent growth rate in relation to 1978-79.

In addition Carlsberg is to open a new brewery in Taipei, Hongkong, this spring to serve the company's growing Far East markets. The brewery will have a capacity of 150,000 hectolitres (for 4 million bottles) of beer a year. Danbrew Consult is the group's newly formed technical and engineering know-how and turnkey unit designed to work overseas. Kunning is the project group responsible for the construction of the Northampton brewery and United Breweries' latest expansion in Denmark—the modern Fredericia Jutland Brewery, which has a annual capacity of 1,100,000 hectolitres and was opened in 1979.

The United Breweries' latest development is NAB (non-alcoholic beer)—a powder form—into which Carlsberg has added water and carbonated to produce light non-alcoholic beer, meaning that it can be produced in the most rudimentary of bottling plant at minimal cost.

C.F.

C.F.

Shipyard saved

After a year of turmoil in which three changes of chairman and five of managing director took place, Burmeister & Wain, the parent company of the industrial, engineering and shipbuilding group—not so long ago the doyen of Danish industry—was finally declared bankrupt last autumn. The deficit stood at 145m kroner (9.6m). Fortunately the bankruptcy had no direct effect on the B & W shipyard in Copenhagen, which now operates as a limited company in its own right, for on B & W Diesel, now a subsidiary of Maschinenfabrik Augsburg-Nürnberg (MAN) of Hamburg, West Germany, also an independent company.

Claims against the defunct parent company cannot affect these two (now separate) firms, both of which are looking forward to a brighter future in the 1980s. The reconstituted Burmeister & Wain shipyard has a share capital of 30m kroner and a net capital of 112m kroner. To supplement this, the Danish Government has granted the company an export credit guarantee of 225m kroner in connection with the construction of 10 64,000 tonne fuel-saving bulk carrier ships, a type of vessel in which B & W has specialized with great success since the 1950s.

Four of these bulk carriers now on the shipyard's order books are for the state-owned China Ocean Shipping Company of Peking. The value of the orders for the 10 bulk carriers is put at 2,000m kroner in all, and negotiations on a further six to various other potential purchasers from overseas, at a value of a further 1,500m kroner, are in progress. The shipyard puts growing international demand for grain and coal transportation vessels as the reason for the increasing interest in its new fuel carriers, which have a fuel consumption 20 per cent lower than that of conventional carriers, the equivalent of a saving of 40 tonnes of fuel a day at an average speed of 15 knots.

With its order books filling up quickly, B & W Shipbuilding has work for the next two years at least. While the yard last year employed 900 workers, the complement is today in the region of 1,600. The first bulk carrier of the new type was delivered earlier this year, and four others are scheduled for completion later in 1981.

About 25 per cent of all diesel-driven ships in the world are powered by Danish engines. With an impressive 45 per cent of the world market for its giant motors, B & W Diesel is the world's top producer of large marine engines, rivalled only by Sulzer of Switzerland, which has 44 per cent of the market.

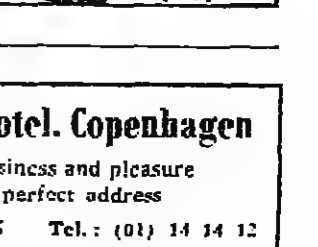
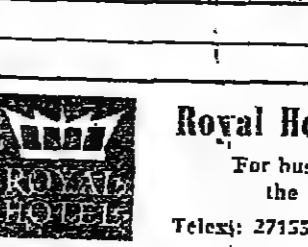
B & W Diesel's turnover in 1980 was 1,100m kroner, of which 60 per cent was accounted for by exports. B & W Diesel, with three production workshops in Denmark, manufacturing two and four-stroke engines and providing service facilities, expects to increase its exports to 70 per cent of production this year, and be able once more to report profits in 1982. The firm has 25 branches in 15 countries world wide.

C.F.

C.F.

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REVOLUTIONARY STANDSTILL

Most political leaderships with an average of 69 and a faltering record would feel obliged to make at least some token gestures towards the idea of change. They might replace a man or two in their ranks, bring in some new blood, or offer a hint of new thinking in one area or another. Not so the Soviet leadership. After a weighty build-up to the party congress, after a "democratic" discussion at all levels, after a relatively frank examination of the manifold problems which now beset the country, everything remains the same. The Politburo is re-elected. Existing policies endorsed. Détente abroad and efficiency at home are to be pursued in spite of setbacks. Things are difficult but there is no need for new people or new ideas. That has been the basic message of the congress.

One could take this as a sign of magnificent confidence in Marx's laws of history. After all, as Mr Brezhnev said, "the revolutionary transformation of the world cannot be prevented", so why not wait in comfort? The more likely reason is to be found in the chronic immobility of the system. Those in power have no interest in relinquishing it, and nowhere else do they. Those in waiting fear they will damage their chances by pushing it. The entire apparatus has an interest in preserving itself by preventing change.

Usually party congresses overcome these constraints suffi-

ciently to give an impression of renewal. Not this time. Perhaps the leaders could not agree on new candidates. Perhaps they feel that if they set the ball of change rolling they will be unable to stop it. Perhaps they fear criticism of their policies. Whatever the reason the result is to demonstrate once again how difficult it is for the leaders of world revolution to manage change within their own system. They have missed a chance to prepare the way for a smooth transition.

This has its reassuring aspects for the outside world. It is probably better to have Mr Brezhnev earnestly pursuing détente with the United States than some untried surplusing trying to prove his strength. In other ways, however, and for the Russian people themselves, there are disadvantages. The Soviet Union is now a vast limping giant, enormously strong in weaponry but inflexible in its thinking and increasingly dissatisfied with its standard of living. Its economic growth is slowing down, and it is not catching up with the West in technology. The silicon chip has scarcely been born. Over the next ten years it is going to face larger discrepancies between its ambitions and its resources. The stresses are likely to grow, and it will be difficult to live with.

Just how difficult is much debated by western experts. The CIA offers the darkest prospects. It calculates that defence spend-

ing will continue to outpace economic growth, thereby taking an ever larger slice of resources over a period when oil and food will have to be imported although the capacity to earn sufficient hard currency will have dried up. Hence the Soviet leaders will be confronted by stark choices between guns or butter, internal reforms or competition for world resources.

Other experts think the Soviet Union may be able to muddle through with smaller adjustments. Almost everyone agrees, however, that problems will increase as the Soviet Union grapples with the rising cost of extracting its own raw materials, unfavourable demographic trends, the inefficiency of its system, and diminishing ability to export oil, which now brings in about half its hard currency earnings. Domestic turbulence at home or in eastern Europe, distracting adventures abroad, pressures on Gulf states (perhaps arms in return for oil) are only some of the possibilities.

Some hint from the congress that new thinking and new people were working their way up might, therefore, have been reassuring, even if the shortcomings of the Soviet Union are useful to the West in the ideological war. At very least, the prospect of a smooth transfer of power over the next few years would have been preferable to the brittle uncertainties with which we are now faced.

REASSURING AS FAR AS IT GOES

Lord Diplock's report on the interception of communications—in practice, mainly telephone tapping—is a curious document. It is only just six pages long. Its conclusion—that the procedures governing telephonic interception are satisfactory both in theory and in practice—may well be justified, but we are given no evidence on which to base our agreement or otherwise with that finding. Lord Diplock says that he has carried out random checks designed to test the efficacy of the procedures laid down, and to ensure that the safeguards provided to protect the individual's rights to privacy worked in practice. He gives us no figures. Did he check five cases at random, or fifty? If his conclusions, totally favourable to the tapping authorities, are to convince, more information is required about his methods.

His report contains not a whiff of criticism, not a hint that he found any aspect of the procedure and its application anything other than completely satisfactory. We have no reason to dispute any of his findings or to doubt the thoroughness of his investigations, but it would have assisted public confidence if he had provided rather more detail about his methods.

Lord Diplock is not to be blamed, however, for the main reservation that has to be made about his report. His terms of reference were limited to monitoring the existing procedures for seeking permission to intercept communications and the consequential acts following the grant of such authority by warrant of the Home Secretary or Scottish Secretary. He was not asked to look into the persistent allegations that a considerable amount of telephone tapping is conducted without the authority of the Home Secretary and without obtaining any other formal permission.

Much of this, of course, is carried out by private agencies using highly sophisticated electronic equipment available on the open market. But there are grounds for believing that surveillance on the part of governmental or other official bodies takes place which does not have the approval of the Home Secretary and is therefore beyond any supervision or control. It is difficult to know how prevalent the practice is. Revelations by the *New Statesman* last year, a report by the Post Office Engineering Union, and Monday's *Panorama* programme have provided some

evidence to suggest that there is substantial non-authorized tapping by official or quasi-official agencies. Much of that evidence is necessarily anecdotal, and much of it comes from persons whose veracity and motives are open to question. Nevertheless there is enough to raise a serious doubt about how much control there really is over the bugging of telephone conversations.

Lord Diplock was not required to look into that aspect of surveillance. Nor did his brief cover those intelligence agencies whose work involves the interception of international communications, and who are linked to the intelligence services of Britain's allies abroad.

It is absurd to suggest that Britain's secret services should be openly accountable. The objectives of some of the surveillance work conducted by its nature, requires that the public should not be told that it is happening at all, let alone of its results. But there may be a great deal of unauthorized tapping about which that argument does not apply. Uneasiness persists, and Lord Diplock's report does not allay it.

DISTRESS SIGNAL NOT TO BE IGNORED

It is often and correctly said that Mrs Thatcher's Government has resulted in a greater spirit of realism in our economic, industrial and financial affairs. The critical question is whether or not the extremely stringent conditions that have created this forced spirit of realism have been overdone to the point where serious, unnecessary and irreversible damage is being done to worthwhile institutions.

This question has been put in the most tangible form in the past week by Imperial Chemical Industries. For ICI is not only by far the largest private sector industrial company in the United Kingdom. With the exception of the British-based oil companies, it is the sole British company that features in the top rankings of international capitalism.

When, therefore, last week ICI cut its final dividend for the first time since 1938, it forced on the public's attention the position in which the hard core of British industry finds itself. For ICI is not a soft, badly managed, union-dominated dinosaur of the British industrial scene. No, it is with any large and established institution,

it has become a touch bureaucratic in certain respects. No doubt there is room for savings on overheads. ICI, however, can stand comparison with most successful large industrial companies anywhere in the world. So when ICI has to report that it has been trading at a loss for the second quarter in a row and, in a spirit of realism, has to adjust its dividend distribution to the attention of government. In the continuing spirit of realism this week ICI has announced that it is ending the separate existence of its plastics and its petrochemical divisions, in order to try to save costs.

The problems that any company faces in a recession may be divided into two categories. The first are structural. Here it is clear that in fibre production and in petrochemicals, and plastics ICI is suffering from the problems of over-capacity that are affecting the whole of this industry worldwide. The second category is cyclical. Here ICI is suffering, in a way that has nothing to do with managerial lack of foresight, from the quite

unexpected severity and duration of the recession, from the unforeseen strength of sterling in export markets and from the continuing high levels of interest rates.

The Government is entitled to say in reply that, if ICI is in its present position unable to maintain its dividend, it should not have been prepared to settle last spring for wage awards of over 20 per cent for its manual workers. The fact remains, however, that the undoubted long-term advantages that British industry will have derived from the present recession have now in the main been achieved. The weak and the inefficient have been purged. The cost in lost production and unemployment has been high, but the Government would have forecast a year, or eighteen months ago, further deliberately induced recession would produce relatively little extra advantage in return for geometrically rising industrial and social problems. Next week's Budget must lead the way to lower interest rates and gradually restored expansion.

Defence of Gulf area

From Mr William Shepherd
Sir, Your leader (March 2) questioning the Prime Minister's unbridled enthusiasm for the Rapid Deployment Force reflects what I am sure will be widespread concern. But does your criticism go far enough?

It is hard to resist the feeling that we are in danger of getting back to the still relatively unpublicized truth is that the economic policy of a then left-wing Conservative government than for any other single reason. The Suez adventure was limited in its aim and its dangers, which is more than can be said of the present initiative, where I foresee three grave dangers. The most serious danger is that such a force could be used by the Soviet Union to precipitate their intervention in Middle East affairs. The procedure would be simple: they would stir up political/military unrest with the intention of provoking the use of the Rapid Deployment Force, which would in turn enable them to intervene on a pretext not very dissimilar from ours at the time of Suez. This is the most realistic of science fiction: it could be a reality.

relationship with Europe. As one who has no great enthusiasm for the Common Market as at present structured, I am nevertheless anxious to preserve a coherent voice of Europe. That such a voice has practical value can be seen in the unanimity that has been achieved by Europe over Arab-Israeli relations. If, however, we press the "special relationship" to the point where we endorse policies which Europe finds unacceptable, we will seriously damage the effectiveness of the voice of Europe.

The third danger is real, too—and it is that we may lose the friendship of the most stable and worthwhile elements in the Middle East. Mr Heath foolishly sought to increase military presence in the Gulf, despite the fact that all the oil companies were anxious to get rid of our military presence in order that they could conduct their business without any commitment to a given regime. This policy failed because the states concerned simply would not have the British troops.

The new policy is much more dangerous, since it could affect our relationships with the whole of the Middle East and the Gulf States. Ultimately the effect might well be to reduce the amount of military cooperation which our friends in the Middle East would feel it possible to give to us.

Russia and her satellites are facing a critical fuel shortage; this inevitably increases the risks of war in the Middle East. While the West must be prepared always to defend its legitimate interests, it surely should not take any actions which might precipitate trouble in the Middle East, as well as offending its friends.

Yours sincerely,
WILLIAM SHEPHERD,
77 George Street,
Portman Square, W1.
March 2.

Earlier retirement

From Mr A. R. Beard
Sir, There are probably many men between the ages of 60 and 65 who would welcome the chance to retire, if the retirement pension were available to them. In the light of the present unemployment figures, would it not be a wise move for the Government to make this change, and thus make their jobs available to younger men with families to support?

Yours faithfully,
ROBERT BEARD,
Scobbscombe Farm,
Kingsbridge,
Somerset.

Prospects for the Social Democrats

From Mr Clive Bingley

Sir, What is so totally mystifying about your enthusiasm for the Council for Social Democracy is that the economic illness, Mrs Thatcher's attempted cure for which you find so disagreeable, was brought on entirely by twenty years of social-democratic government—under the premiership of Mr Macmillan, Mr Wilson, Mr Heath and Mr Callaghan—not by the dotty left at all.

The present leaders of the CSD were all intimately, indeed passionately, associated with government during the period of decline. What have they now done to warrant another chance?

Yours faithfully,
CLIVE BINGLEY,
26 Addison Grove, W4.
February 28.

From Mr David Winnick, MP for Walsall North (Labour)

Sir, No one is likely to dispute the right of politicians to change their party; however, what is disturbing for the democratic process is that someone clearly elected as a candidate of a particular party should resign his seat in the Commons once he changes over to a different organization.

I don't think there can be any doubt that those elected two years ago to the House received the votes needed to become Members of Parliament because the electorate wish to register their support for the respective party in question. Of course, a number of successful candidates received some support on a personal basis (as indeed did some unsuccessful candidates), but such votes would almost certainly have been relatively few in number. One only needs to consider instances of ex-MPs who having broken with their party stood as candidates outside the major political organizations and received derisory votes.

There is also the question of the constituency organization of an MP who defects: the activists would have been responsible for all the hard, detailed voluntary unpaid work needed to try and get the candidate elected. Anyone who has been involved in a parliamentary election would know full well what is involved and the hours put in, day and night, by those working basically for a political cause.

What sort of respect can they have for the former candidate who was perfectly happy and willing to have all the work undertaken on his behalf and received the benefit of electoral support because of the party label, but who refuses to renege on his word once he has made up his mind to leave the political party he stood for at the last election?

Is there not a case for some

amendment to the relevant electoral legislation that would ensure that an MP elected as a candidate of a political party and who afterwards resigns from his party also has to give up his Commons seat? After all, if the MP has sufficient confidence in the policies of the organization which he has since joined, he should surely be only too willing to contest a by-election and try and convince the electorate of his new platform.

And would not such a course of action show proper respect for the electorate that sent him to Westminster under his previous affiliation and, until an electoral contest proves otherwise, presumably wishes to continue to be represented by an MP belonging to the party that received most votes in the constituency at the general election?

Yours, etc,
DAVID WINNICK,
House of Commons.

From Mr John Pringle

Sir, Your opinion that a trade union reform which was agreed to and passed by a Liberal and Social Democrat alliance would be "most unlikely to be repeated" (leader, February 28) is one main reason why many would support such an alliance. The other parties have tried and failed to stop the trade unions, and other interests, from pushing up inflation. The present Government, elected to do so, has recently been humbly defeated, as everyone knows, by a coalition of the others hanging on Joe Gormley's tail.

As the plain man sees it, such disastrous defeats for the democratic machine cannot continue indefinitely. The pretences of power always in the end have to give way to the realities, with institutions being wrenched to fit where need be. Either people and Parliament should now pass over political as well as economic power to the trade union movement to run the country as it chooses, which is apparently what the Labour Party Conference wants; or people and Parliament must reassert their own authority which they cannot do through instruments as "credited" as your own very just description—as the two main existing parties.

The Social Democrats and Liberals really have the ball at their feet to win with a modicum of luck and judgment.

I am, Sir, your obedient servant,
JOHN PRINGLE,
7 Home Court,
The Priory Road,
Surrey.
February 28.

decision has made these charges illegal, and the most obvious result of this decision is that local authorities could be tempted to cut this form of music tuition completely.

It is essential that all interested parties should cooperate to find an answer to this very real problem as quickly as possible before the existing arrangements for musical education of pupils are completely disrupted. Any suggestions for ensuring the continuing progress of music education in this country in the face of this judgment will be received with interest and acted on as possible.

The music industry organizations represented by this Federation. Yours faithfully,
P. A. HOWGILL, Chairman,
Federation of Music Industry Organizations,
58 Greenfield Avenue,
Carpenters Park,
Watford,
Hertfordshire.
February 27.

West Indies tour questions

From Mr R. Qureshy

Sir, I read your editorial (February 27) on the selection of the English cricket team for the tour of the West Indies. It is interesting to note that the selectors have the right to choose the players of the team. If you remember when the English team visited Pakistan last time, in the last Test—when the Pakistan selectors were considering the selection of the Pakistan players Imran Khan, Zaheer Abbas and Majid Khan—at that time the English players all objected and refused to play if the Pakistan players were selected to play in the Pakistan team. Because of their refusal, these players were eventually left out.

Now how can the English selectors complain? They did the same thing as the Pakistan tour and dictated to the players they wanted to play against.

Yours faithfully,
R. QURESHY,
52 St Gabriel's Road, NW2.
March 1.

prived of an important aspect of their nationality, namely the right to pass on this nationality to their own children.

We also feel that it is in the UK's fundamental interests that security and clear nationality provisions exist for British citizens who spend all or part of their careers promoting British commercial, political or cultural interests in Europe and elsewhere abroad. Today there are probably a quarter of a million British citizens on the continent, of whom less than 1 per cent are dependent on official European or international organizations. This represents a sizeable community, many of whose children and grandchildren will be particularly well qualified to promote British interests abroad in the future. An unfortunate result of this Bill, if enacted without further amendment, would certainly be to reduce the supply of British people prepared to work abroad, and for those who nonetheless do so, to alienate in legal and other senses those of their offspring falling on the wrong side of a tick of the law.

Yours faithfully,
MICHAEL EMERSON,
ALISTAIR MACDONALD,
50 rue Clément Delorme,
1310 La Hulpe,
Belgium.
February 23.

From Mr Michael Emerson and Mr Alistair MacDonald
Sir, Mr Ivor Stanbrook, MP, in his letter of February 19, has pointed out how the Government's recent amendment of the British Nationality Bill gives the right to persons who are British by birth, registration or naturalization, but not to persons born abroad whose parents are British by birth. We would like to illustrate the anomalies that this would cause. In our particular case, one of us married a British woman, while the other married a French woman. Both our families include children born in France or Belgium. The French spouse has registered as British, and therefore her children born outside Britain would have the right to pass their citizenship to the next generation, not because the father is British, but in effect because the mother was of French origin. The British-born spouse will have no such privilege, and her children will not therefore have the right to pass on British citizenship in the same circumstances.

In our view the law should at the very least allow the second generation of British born abroad to be British citizens by right, since without such a provision, the first generation born abroad will be deprived of an important aspect of their nationality, namely the right to pass on this nationality to their own children.

Civil servants' sense of grievance

From the Chairman of the Association of First Division Civil Servants

Sir, Sir Max Beloff's letter of March 2 raises an important constitutional point which concerns this Association as much as it does him. He refers to the conflict of loyalties experienced by many of our members, their loyalties on the one hand to Government and country and on the other to their colleagues.

Sir Max suggests that Government and Opposition reach a common accord about what is permissible by way of industrial action in the public services. But we had a system of pay determination in the Civil Service which, if observed in practice, removed the need for industrial action in the Civil Service. It was based on principles laid down by the Priestley Royal Commission in the 1930s and was designed to keep civil servants' pay out of politics. It is Government, not civil servants, which have violated these principles of independent fact finding, fair comparison and independent arbitration in settling Civil Service pay and conditions. The Government repeatedly acts towards its servants arbitrarily, unfairly and in breach of previously agreed arrangements; and successive Governments have in recent years.

Indeed one would expect serious observers of public administration to muse and ask why members of the FDA decided by ballot, albeit by a small majority, to support the action of the Council of Civil Service Unions. Such a decision was not taken lightly. The reason was not movement of percentage points in salary settlements but a serious concern to keep the arrangements for paying civil servants out of the political arena. One loyalty was unquestioned but it is the Government that has broken agreements with its servants, suppressed pay research evidence and now unilaterally proposes to overthrow an established system of pay determination. It is these actions that have placed great strain on the loyalty of civil servants. This Association believes it is in the interests of the country, as well as the Civil Service, that a fair, understood and workable system of pay determination should be restored as a separate matter from the loyal relationship between HM Government and her civil servants. Until now such an agreed system did exist and provided, as the Royal Commission intended it should, the necessary buttress for the undivided loyalty of civil servants to the elected Government of the day.

If the Government honoured agreements, questions about our loyalty or talk about constitutional amendments along the lines suggested by Sir Max Beloff would be unnecessary. Yours faithfully,
M. E. G. FOGDEN,
Association of First Division Civil Servants,
17 Northumberland Avenue, WC2.
March 3.

From Mr D. Bromley and others
Sir, We are writing in reply to the letters printed on Monday (March 2) in your issue of 28 February.

Defeat on Majuba

From Colonel L. Maxwell

Sir, Our disastrous defeat on Majuba hill a hundred years ago (feature, February 28) might not have happened if General Colley had not emasculated his force of all the essential advantages of the regimental system. There was no complete British infantry regiment with him, only a hodge-podge of companies from three different battalions, without their commanding officers. No regiment under its own colonel would have accepted the humiliating of being driven from the mountain without a very hard struggle indeed.

Only nine months earlier the 66th Regiment of Foot were in disgraceful retreat in the field of Mairwand in south Afghanistan, when

2) from Sir Max Beloff and Mr P. Brookman. We are a section committee of the IPCS (Institute of Professional Civil Servants), one of the unions concerned in the probable Civil Service strike. We are working civil servants, in a small unit, in a high technology area of defence, and far from keen to take strike action. We have hitherto been inclined to accept that the code of conduct governing industrial relations in the Civil Service precludes strike action. Let us explain why we will join in strike action next Monday.

Part of that code of conduct has lain in the effective consultation and negotiation methods of Civil Service. Whitleyism since the twenties and the existence of a valid arbitration procedure. On pay the Priestley Commission of 1934 laid down a principle of fair comparison, and explicitly rejected the use of Civil Service pay in setting a political lead; a possibility which at that time might have seemed to favour civil servants. The Pay Research Unit was set up as part of the fair comparisons exercise, and however much the detailed operation was uncertain and was criticised, the basic principle that Civil Servants should get the same as others was not disputed.

In 1976 the Labour Government suspended the PRU system in favour of successive formulae which although a unilateral decision was part of a wider restructuring policy, it was to be temporary. However, when PRU procedures resumed in 1979 its evidence showed restraints in comparable private employment had been largely ignored. Higher levels of management in particular had succeeded in giving themselves some 50 per cent over the pay restraint codes.

This Government has no incomes policy but has made public expenditure its only target. It is bringing about extensive redundancy in the Civil Service. It issued in January a green paper on trade union powers. It has presided over 29 per cent inflation. It has suppressed the latest PRU reports, one can only assume because it completely contradicts its own case and assumptions. It imposes 6 per cent cash limit on Civil Service pay, a cut in real money of 14 per cent. There are no negotiations, no comparisons, no arbitration; only Mr Brookman's assertion that he hasn't paid his has any more.

Yours faithfully,
D. BROMLEY,
R. ADAMS,
P. W. SMITH,
J. BAKER,
D. J. ELMER,
T. A. JONES,
Admiralty Compass Observatory,
Dillon Park,
Slough,
Berkshire.

From Mr Clifton R. Crockett
Sir, Sir Max Beloff (letter, March 2) suggests that civil servants who strike should be permanently barred from promotion. He has almost persuaded me to revise my decision not to take part in the proposed strike action.

Yours truly,
CLIFTON R. CROCKETT,
Marlborough,
19 The Avenue,
Dallington,
Northampton.
March 2.

Colonel Gaibraith gathered his men around him again on the outskirts of the battlefield. Two-thirds of the men who had been in the battle-line turned and stayed with him to fight it out, although retreat would have been easy. Instead, he and they died around the regimental colours. But on Majuba there was no battalion commander in save the day; there was no regimental honour at stake. Everyone felt free to put the blame on somebody else, and the survivors did that very thing as soon as they reached the safety of Mount Prospect Camp.

Yours faithfully,
LEIGH MAXWELL,
East Franksland,
Lewes Road,
Haywards Heath,
Sussex.
February 28.

Swoop on 'The Observer'

From Mr Richard Hall

Sir, It is preposterous for my colleague, Mr Colin Legum, to go on about such lengths in your column (letter, March 2) about a hypothetical threat to the editorial independence of *The Observer*. His service for many years under Mr David Astor, who was more than a quarter of a century was both editor and proprietor, must have somewhat impaired his understanding of the realities of life on more normal newspapers.

Mr Legum complains that *The Observer* will now be tagged in the public mind as "Astor-owned". Your own journal was once tagged as "Murdoch-owned", and the *Daily Express* as "Trafalgar House-owned". I doubt that the public will really imagine we are all mere subservient hacks, leaping to our typewriters when a proprietor orders us to support his financial schemes at home or abroad. Certainly, if Mr Tony Rowland just once covertly imposed his will on *The Observer* to further his other business interests, that would be far worse than the constant, undisguised political influence of an altruistic owner-editor. But is it really going to happen?

I have the singular advantage of having worked for both Mr Astor and for Mr Rowland; I was the latter's editor on the first paper he ever owned, *The Times of Zambia*. Mr Rowland never once interfered. Several times, we wondered if he might—and I was waiting for him to try—because the paper reported in a decidedly arms-length way about his business activities in Zambia and adjoining countries.

Of course, it may be retorted that *The Times of Zambia* was small beer, and *The Observer* will prove more tempting for Mr Rowland. But he has repeatedly told us that he will never try to interfere with editorial policy. To imply, as Mr Legum does, that even written

guarantees from Lonrho would be worthless, and that a cumbersome structure at board level is needed to protect the journalists from Mr Rowland, ignores the fact that if a proprietor improperly exploits his position, journalists are quick to run up and down Fleet Street with the news.

A new era, as part of a much-discussed condescension with world-wide interests, may alarm some finer sensibilities. But nostalgia is no excuse for squalling before you are hurt.

Yours faithfully,
RICHARD HALL,
The Observer,
8 St Andrew's Hill, EC4.
March 2.

Conundra

From Mr Wilson Longden

Sir, The use of *fora* for the plural of *forum* in Section 78 of the Macfarlane Report causes me to speculate as to whether this was the creation of one of the panjandras of the Department of Education and Science or merely that of one of its lesser factots.

Perhaps, when he is idly wandering round one of the London museums, or sitting in the shade of his laburns, peacefully contemplating the progress of his antichamber, his delirious and his musing the author might care to conjure up some more such novelties for our delectation.

Could it be that he did not actually reach the sixth-form himself? Is that the reason for the apparent antipathy to retaining in secondary schools the sixth-forms that have served us so well in the past?

Yours faithfully,
WILSON LONGDEN,
Barfield College (Luton),
New Bedford Road,
Luton.
March 2.

Bernard Levin

Farewell, I hope, my lovely

There is a most engaging, comic, and somewhat over-the-top character, conceived and put together by Mr. Stephen Pile. called *The Book of Heroic Failures*, which, as its title suggests, records not the shoes which went wide of the bullseye but those which never even came out of the barrel of the gun. The book seems to have been a great success, making it probable that another edition will in time be called for; this is just as well, for in the last few days there has passed into history an achievement in the realm of failure that surely dwarfs not only anything previously recorded by Mr. Pile but anything the most extravagant imagination could invent. I refer to the gentleman who was sent to prison for life after a trial in which the court was told of seven unsuccessful attempts he had made to murder his wife, without her noticing that anything out of the ordinary was going on.

Now on the whole, I do not usually find murder, or even attempted murder, matter for laughter, though some theatrical farces have used sudden and unnatural death to considerable and hilarious effect, notably Mr. Royce Ryton's *The Unvarnished Truth*. But as I read through the prosecution's catalogue of reasons for the defendant's vain efforts to do away with the wife of his bosom I was seized with a wild laughter of the kind released by the best surrealist art, and by the end was helplessly hysterical at the breakfast table.

Having first taken out £250,000 of insurance on his helpmeet's life, a circumstance which apparently failed to arouse her curiosity, let alone suspicion, our unsuccessful felon got down to work. First he put mercury, a dangerous poison if ingested, into a strawberry flan he had made for her. It fell out, however, that he used too much of it—case, if ever there was one, of over-egging the pudding.

Two goes of mercury poisoning and two cliff-hangers having failed, our hero took to arson. While she was in bed, ill, he started a fire outside the bedroom door.

Nothing daunted, Bluebeard then tried stuffing a mackerel with the same deadly substance (a matter, I suppose, of putting the poison in the mackerel, but for some unaccountable reason it had no effect on the little lady. Warning to his work, he took her on holiday to Yugoslavia, where he invited her to sit on the edge of a cliff; the court was told that she had declined, prompted by some "sixth sense". I am glad it came to her rescue, though I must say that by now I should have thought it a sense unnecessary: one or two of the better-known five ought to have been quite sufficient to alert her to the fact that the magic had gone out of her marriage, particularly when, on their return from Yugoslavia, he repeated the cliff-suggestion, this time at Beachy Head. (What do you suppose he actually said? "Darling, it would be rather nice if you were to go over there and sit on the edge of the cliff, with your hand on the rock." "Why, darling?" "Oh, I don't know—I just thought you might like to get the weight off your feet.")

Two goes of mercury poisoning and two cliff-hangers having failed, our hero took to arson. While she was in bed, ill, he started a fire outside the bedroom door, but some interfering busybody put it out before the game and was cooked. Clearly a believer in

trying anything twice, he waited a bit and again set light to his flat, but this time succeeded only in raising the place to the ground, thus inadvertently defying the spirit, if not the letter, of that ancient Chinese proverb which says "It is not worth burning down your house simply to inconvenience your mother-in-law".

By now, even if the missus was still unaware that hubby had found new meaning in the bit about having and holding in sickness and in health till death do part, she must at least have come to the conclusion that her footsteps were being dogged by something quite exceptional in the way of bad luck. (How do you suppose it went, when she mentioned the fact to him? "Nonsense, darling, you're imagining things." "Yes, I suppose I am." "Of course you are, sweetie—why don't you go and lean out of the window?" Nor was the run of ill-fortune quite over yet: one day, when they were out in their car, he proposed that she should go and stand in the middle of the road, in order, he explained, that he might "test the car's suspension". I am not a driver and understand nothing of cars; for all I know, that is the normal and accepted method of testing a car's suspension. But even if it is, I cannot help feeling that our friend's better half might by now have cottoned on to the fact that whenever she had one of her strokes of misadventure, her husband was invariably near by, and that a good case could be made out for a plea of post hoc, propter hoc.

It seems, however, that she had never heard of Sir Karl Popper's solution to the problem of induction; she did not, as bidden, go and stand in the middle of the road, but neither did she repair with all deliberation to the nearest police station. Instead, she stood patiently at the edge of the road, while the man of the house drove the car straight at her "but at the last second veered away". (Ah, monsieur, quelle délicatesse!)

At this point, he went and confessed, which is just as well, because, having thus successfully making away with his dear old Dutch, his next attempt would probably have involved the dropping of a fifty-megaton thermonuclear bomb on her, which might have had truly serious consequences—probably not including, though, the arousal of her suspicions.

There is also room for speculation about the details of the dialogue that ensued when the police arrived to break the news that they had just arrested the man of the house on some exceptionally interesting charges. ("Your husband, madame, appears to have made no fewer than seven attempts to murder you." "Nonsense—we're perfectly happy, and in any case he wouldn't hurt a fly." "Nevertheless, madame, we have his signed confession." "I tell you it's impossible; besides—no, hang on a minute, there was something rather odd, come to think of it, that happened the other day.")

If it's heroic failures you're after, then you will allow that they don't come in bigger sizes than this one. Mind you, the wife in the case, though she does not qualify for heroic-failure status, certainly has a right to be considered for another, older, work of reference, *The Guinness Book of Records*, in which she would, I supposed, figure under some heading such as *Most Unhappily Married Victim of Homicidal Husband*. "It is more honourable to be deceived," said Confucius, "than to distrust our friends." No doubt, but at this case shows, it can also be more dangerous. My advice to superstitious Penelope, should she go to visit her husband in prison, is to distrust our friends, to reserve any claim he may make to have left a large sum of money for her, wrapped in waterproof cloth, at the bottom of the crocodile pool in the London Zoo.

Time Newspapers Limited, 1981



Black demonstrators and police clash in London on Monday.

The messy compromise which Mr. Whitelaw, the Home Secretary, announced over the introduction of Citizens Band radio was in the end forced on the Government by the failure of one of his favourite techniques.

He starts out with a proposal in keeping with the fashionable party rhetoric, waits for the opposition to it to emerge, then backs away from the original proposal. The technique enables him to go where his instinct tells him sensible Tories should be—in the middle ground, in the heartland of one nation Conservatism. If anyone else did it, it would be called a U-turn. The technique was first used in opposition to outflank Mrs. Thatcher's intention that British citizenship should be acquired automatically at birth only by children born in this country, one of whose parents must be a British citizen or who was born here.

Having previously tried to defend what he now evidently acknowledged to be indefensible, Mr. Whitelaw changed tack. An amendment to the Bill was tabled by the Government to give all children born in the United Kingdom the right to acquire British citizenship provided they could fulfil a residence qualification. A further amendment put him under attack from his own back benches. Under it citizens by naturalization or registration were to be enabled to transmit their citizenship to their children born abroad. Accusing Mr. Whitelaw of capitulating to the immigrant lobby, Mr. Ivor Stanbrook, Conservative MP for Orpington, quoted a letter sent only four days earlier by Mr. Whitelaw's private secretary to

The subtle art of making gentle U-turns

Mr. John Ennals, director of the United Kingdom Immigrants' Advisory Service, said: "All the Bill does," it said, "is to equate citizens by naturalization or registration with citizens by birth. This is neither illogical (neither category is actually born here) nor unreasonable."

As in the case of Citizen Band radio, Mr. Whitelaw's decision, made in response to pressure, did not end the row. The messiness of the compromise over CB radio is even more apparent. By not reaching a decision earlier, Mr. Whitelaw now makes it likely that illicit broadcasting will continue on 27 MHz (amplitude modulated) which the Home Office says causes interference with television reception and emergency services. The reason is that while Mr. Whitelaw was pondering what to do and allowing pressure to build up, numbers of illegal users grew to more than quarter of a million. Mr. Whitelaw's compromise

The British public woke up yesterday to banner headlines about black confrontation with the police on Monday's march through Central London.

"Rampage of a Mob" said the *Daily Express*. "Day the blacks ran riot in London" (*The Sun*). "17 cops hurt as thugs turn blaze protest into a terror riot" (*Daily Star*) and "When the black tide met the thin blue line..." (*Daily Mail*).

Was this justified? The press's coverage contrasted sharply with that on television. Both the BBC and independent television made efforts to explain the reasons for the march and for the anger. If anything the BBC news appeared to play down the violence and *Newsnight* presented a sympathetic programme giving the background to the protest.

Violence is always "a good story" and in this case it looked as though some of the violent incidents were terrifying to those involved. When that kind of horror actually occurs on the doorstep of the popular press in the middle of Fleet Street, it is surprising that the headlines appear.

Black groups are understandably angry that more effort was not made to explain the march. For some time now there has been growing discontent about the deaths of 13 young people after an all-night riot at a house in New Cross Road, south London.

There is anger in the belief that the police have not done enough to find those responsible for what is agreed was a deliberate arson attack. There have been no arrests, no attempts to question extremists, and the accounts of the accounts of black witnesses about how and where the fire started in the house are not being taken as seriously as they would like.

The forensic evidence suggests the fire was begun in the centre of Mrs

Rudduck's front parlour by someone inside the house. Black witnesses say it began under the window and was probably caused by something being thrown into the house. There is anger, too, about the media and public response to the fire which happened on January 18. Immediately afterwards there were front-page stories, but after that silence. There were no messages of sympathy from the Prime Minister or the Queen.

The West Indian community points to the recent discotheque fire in Eire which killed 48 young people and brought immediate condolences from Mrs. Thatcher and the Queen. The Prime Minister, they say, only responded to the black outrage in Lewisian fire weeks after the blaze, and then it was in a letter to a community worker rather than to any of the parents.

Parliament has also ignored until recently what they claim to be a massacre of black youth. On Monday a large number of Labour MPs, including the Front Bench, signed an Early Day Motion which expressed sympathy with the bereaved. An amendment to that called upon the police to conclude the inquiry and deplored recent attacks on right-wing racist groups.

Because of what they saw to be the indifference of white Britain to their tragedy, the West Indian community in south London, set up its own campaign and fact-finding inquiry. There were meetings and demonstrations, and the pent-up frustration culminated in a massive show of strength in Central London on Monday.

The size of the march (it was thought to number about 10,000) and the depth of feeling took most observers by surprise. To that extent the march must be seen as a success. It has put the accounts of black witnesses about how and where the fire started in the house are not being taken as seriously as they would like. It must be said that the march would have gained little more than a few paragraphs in most newspapers without the

violence, and that some of the demonstrators were no doubt aware of the White Britain who wakes up to black unrest when it spills out onto the street. But there were other things about the march which caused surprise. Why was it allowed to be held on a weekday right through Central London in the rush hour causing havoc to traffic? Scotland Yard refused to comment yesterday, but it is probably that they could not have stopped it.

Mr. John Le Rose, chairman of the New Cross Massacre Action Committee, was quite clear about why they wanted a march on a weekday. It was deliberate chosen as a day on which blacks may have to make sacrifices, by skipping work or school. A march on a weekday would also make maximum impact.

The Metropolitan police will now be drawing up a report of the event to send to the Home Secretary. They will not be telling him that they acted with maximum restraint because of the well known sensitivity of blacks but in mistakes were made, notably the police estimate of the time it would take for the procession to walk nine miles.

None of this will help to solve the mystery of who was responsible for the fire, though it may help to increase pressure on the local police. They have mounted the largest investigation ever London has seen into the tragedy, and say they are not ruling out a racialist motivation for the attack.

It is to be hoped that Monday's event have not simply confirmed deeply held beliefs by the police about blacks and blacks about the police. The signs are that they may have, yesterday, the march organizers said the police had been deliberately provocative at times with police constables who were injured carrying accounts in the press of what they saw. In the end, the press may have to take the bulk of the blame.



Mr. William Whitelaw

be seen to be responding sensitively to pressure. At some stage he must make his intentions explicit. It would be good from his point of view if some of the pressure came from MPs.

Mr. Whitelaw's so far almost imperceptible movement has avoided pot-shots from hard-line Conservative backbenchers. The party's rhetoric is in favour of tougher punishment. He has responded to that by

keeping a blood curdling promise to introduce sharp shocks in detention centres, though the results have yet to be shown in the process. It will be a tribute to Mr. Whitelaw's political skill if he does manage a cut in prison sentencing without upsetting the courts or tough-minded rank-and-file Conservatives.

Peter Evans
Home Affairs Correspondent

New words and new meanings: an occasional series by Philip Howard

All this and deloping too

new example of Haispeak from those confirmation hearings across the Atlantic for proposed members of the new administration. A prospective secretary of something or other was answering a series of searching questions. One inquired as follows: "Mr. [name], suppose you were in a situation where... What would your reaction be?" The secretarial candidate replied: "I cannot answer that question, sir. It is too supposititious." What an ass-hole.

Here is another malapropism, misunderstanding, or misreading meaning that is creeping in to the language. It comes from a recent review of a new book by a woman psychologist on the Berkeley faculty. To judge by the title of the review and the first paragraph, she seemed to advocate celibacy, which used to mean the state of living unmarried, particularly having taken a religious vow of chastity, as recommended by St. Paul. However, as one read on, it turned out that her thesis is that it can be beneficial to forego sex for, say, weeks, or even months. Naturally, and powerfully true, depending, I suppose, on what

she means by beneficial. But she is using celibacy as a novel synonym (or metaphor) for transient chastity or abstinence. This is a new use that erodes the precision of celibacy. We shall have to see whether it fills a need, serves a purpose, and finds a place in the lexicon. I hope not.

I notice that agreeable is being increasingly used, particularly by Americans, probably in those Haispeak hearings, to mean "in agreement". This is not an innovation but the revival of a semantic form that has been obsolete or obsolete

cent for three centuries. The primary meaning of agreeable today is pleasant. The old meaning of "agreeing with" is flourishing again, as reassessing spring after centuries when old earth is turned, in such phrases as: "If you are agreeable, we shall go to the union meeting; or, alternatively, perhaps not."

Finally, in this Balaam basket of *obiter scripta*, I find not so much a new word as a non-word. It is "delope". It means, I think, deliberately to fire one's pistol wide in a duel; the sort of romantic but imprudent thing that heroes of

Regency bodice-rippers do. George MacDonald Fraser uses it in his first Flashman book, and received various letters demanding to know its origin. He could not find it. I cannot find it.

So where did George come across it? To the best of his recollection it was in one of George Bernard Shaw's romances, but he cannot remember which one. Antonia Barry, who is immensely well-read in Shaw as in everything else, at once knew the meaning of delope. George Bernard Shaw was so meticulous about his period detail and language that it must be a genuine word. George has a suspicion that it was also used by Rafael Sabatini, but is not certain. Anyway, there you are: there it is. Delope, anyone?

LONDON DIARY

So what's in a name?

Now that the Democratic Dawn have resigned the Labour whip and voiced their disaffection with Bennery, Footling, and Thatcherism, I anxiously await signs of more positive and constructive moves towards building the promised new force in British politics.

What they need now is a manifesto and a name. I can offer help with the latter, thanks to my devoted readers. Many think they should be called the Limehouse Blues, but whether you view them as neo-Conservatives depends upon where you are standing at the time. Walter Butterworth of Rickmansworth offers a selection: New Liberal Party, New New-Liberal Party, Nearly New Labour Party, and more seriously, PR Party, on the ground that "proportional representation is its only real hope of success."

I think we can do better. As it is an embryonic movement on the verge of birth, how about the In-Labour Party? Or, as it is still at the experimental stage, the Laboratory Party, as

suggested by M. J. Findlay of Haverfordwest. A. P. Thirlwall of Canterbury is not, I suspect, a supporter, to suggest Democratic Independent Empiricism (DIE for short). Nor is the reader who suggested the Skiers, for the party to lead Britain downhill under control.

No, they need something pithier. Gerald Harris of London will want to name them Woy's Toy, and to give them the campaigning slogan "Where the elite meet the effort". If the Tribune Group wish to distrust our friends, rotten tomato, there will be no change.

Andrew Grant of Melfosse offers The Lads (Liberal and Labour) for those who support Woy's Toy, and The Cads (Centre and Democratic Socialists) for those who do not. Those who join The Lads will be known as Fads (For a Democratic Socialism), and when they become disillusioned and left again they would be Passing Fads.

But my money goes on the name put forward by Robert Seed, Christopher Place, and a reader signing himself I. N. Whitehall: the Social Democratic Alliance. This is brief, sharp and to the point but, most

importantly, it can be shortened to So Dem All. Here, then, is a world exclusive: the first publication of the new party's replacement for The Red Flag, their battle hymn to be sung at party conferences to a familiar wartime air: So Dem All, So Dem All, Do L.L.B. Lab and Tories appal! It's polarization that's rocking the nation, So join us and sing So Dem All.

Cross fire

There seems to be little love lost between Labour members of the European Parliament and the hard-bitten party veterans back at the Commons. This I deduce from a recent sharp and unparliamentary exchange of views between Ken Collins, a former East Kilbride councillor and now deputy leader of the Labour group in Europe, and Willie Hamilton, the republican sniper for Central Fife.

Lately Hamilton has been directing his fire at the Welsh junketing undertaken by Strasbourg MPs, such as the visit by 36 of them to South America which cost the Euro-taxpayer £250,000. Collins observed that Hamilton had put down a 10-minute rule Bill evidently aimed at

curbing Euro-MPs' expenses. So he wrote asking what Hamilton had done to cut spending when, as a Euro-MP in the days before direct elections, he had been a member of the budgets committee responsible for drawing up the rules. "I assume that you will be happy to provide this information," wrote Collins. He assumed wrongly.

"Thanks for your letter," responded the Scourge of Buck House. "Now you are firmly on the paragonian gravy train, don't pretend you're not enjoying every minute. So cut out the cant and humbug. Yours sincerely, Ken Collins."

To which Collins retorted: "Dear Comrade Hamilton, it is a pity that your year in the House of Commons has not taught you the difference between political debate and downright nastiness. It seems to me that humbug is not a quality that is confined to Members of the European Parliament and I note that you have been unable to supply me with any of the information I requested. Perhaps the directly elected Parliament is therefore an improvement on the patronage system which preceded it."

Comrade Hamilton has let the matter rest there, presumably not wishing to abuse the free postage facility which Commons MPs enjoy.

Officer material

After the failure of the Spanish military coup, I have a suspicion that something similar is being cooked up here, and that private members of the junta are already being trained at Sandhurst.

Officer cadet William Mackay, who is clearly being groomed as Minister of Information and Propaganda, rang me breathlessly from a Camberley call-box yesterday to say that he had been sent an initiative test to secure the signature of the manager of Fulham Football Club, travel as far as he could in 18 hours without paying the railway, and have the cryptic message: "To CSM RoCo, join me for a bottle of whisky and a place of mushrooms" published in *The Times*. Naturally, I rang his commanding officer and told him plainly that I refused to assist the junta in their devious plans.

Double fixture

These are tricky times for a Minister of what we still like to call Sport. After the Carli bean burricane that has blown

"Do you have to join the Labour Party before you join the Social Democrats?"



Ireland, who have accepted an invitation to tour South Africa.

I can report, however, that the former President of the Scottish Rugby Union, unlike his unlucky Environment Department colleagues, Michael Heseltine and Tom King, has been spared attendance at the Conservative Party local government conference this Saturday. He will be in his constituency which means, I trust, that he will be glued to a television set watching Ireland play England in Dublin.

The conference date was presumably sanctioned by King as minister responsible for local government. Being a jolly fellow and a sportsman, I cannot imagine how he got his priorities so wrong.

Home hint

Bernard Dix, the militant assistant general secretary of the National Union of Public Employees, is set to take over the seat on Labour's National Executive Committee vacated by Tom Bradley, MP, who has joined the social democrats. The intriguing question is which of the NEC's influential sub-

committees he will be allowed to sit on. Bradley sat on the important home, international and legislation committees, but custom dictates that a newcomer serves his time on less vital committees until he has earned his spurs and learned how to cope with the flood of documents that pours from the party headquarters duplicating machine.

Perhaps Dix would welcome a bit of advice from a seasoned NEC member. Normally new comers list the committees they would like to sit on. I suggest Dix puts forward only one, say the key home policy committee.

Roe Haywood, the party's general secretary, would find it difficult to refuse him. Mrs Margaret Beckett, who was elected only last October, did precisely that and got what she wanted. But then she knows her way around the party labyrinth: she is a former researcher in the home policy department.

I enjoyed the ad on the back of *The Times* yesterday offering travellers the chance to "Fly around the world from only £495 return". It was placed, not by the Flat Earth Society, but by a West End travel agent.

Alan Hamilton

مكتبة الأصيل

ENERGY FUTURES

John Williams



Some time in the next century our energy could be provided by technologies which have yet to be properly proved even in the laboratory. Fusion power could take over from the nuclear fission reactors of today, providing heat to drive the steam turbines of electrical generation by the combining, instead of splitting, of atoms.

Design energy sources could proliferate. Every house could be built to take the maximum advantage of the sun, with south-facing windows, advanced insulation and solar panels for partial space and water heating. Clusters of giant windmills could be adding electricity to the national grid. Remote villages could have windmills of their own. Nodding platforms could lift the waves which every day dissipate on Britain's shores sufficient power, if it could all be harnessed, to supply all the country's needs.

Photovoltaic cells, now used in power satellites in space, could become commonplace, and oil from shales, tar sands, and even coal, could, if more expensive than today, still be available at a cost which allowed the continuation of personal and public transport we have all come to expect. Most forecasters are much less worried about what happens after 2020 than they are about the transition before it.

That is not just because 40 years hence seems so far into the future. The technologies to provide the world's energy then are already available. Even if fusion and photovoltaics failed to become commercial propositions, a steady increase of thermal nuclear, fast breeder, wave, wind, tidal power and non-conventional sources of oil and gas would meet requirements. The problem is achieving that steady increase. The true message of the 1978-80 oil price crisis was that the Organization of Petroleum Exporting Countries would never again increase its production and the industrialized West would be faced with meeting its energy demand in other ways. In the two decades to 1980, two thirds of energy demand had been met by growth in oil output. From now on economic growth will have to become both less energy-dependent and less dependent on imported oil.

Recession throughout the West has allowed, so far at least, yet another oil price increase as a result of the Iran-Iraq war. Energy consumption in Britain, which is much better off than most of the West for energy

announced only 15 months ago.

Development of the North Sea has proceeded slower than forecast, but then oil consumption has shrunk too, bringing net self-sufficiency at a much lower rate of output than expected. The first decision under the Government's stated depletion policy, that net self-sufficiency be maintained for as long as possible, has been taken by delaying for two years the start of production on the British National Oil Corporation's Clyde field. But that decision was far from simple and the way in which it was reached, with the Treasury battling for a longer delay for reasons connected with the Public Sector Borrowing Requirement, was an indication of how it was easily possible for matters of energy policy to become subservient to other government aims.

There can be no doubt that the new supplementary petroleum revenue tax of 20 per cent, to be levied on North Sea oil from April, will take money out of the sector which would otherwise have been used for new developments. It is not possible to take £1,000 out of the companies' revenues without it having some effect. It might not be a bad thing if a slowing of the pace of development could lead to an alignment with depletion policy. The need for a large exploration programme in keeping production up through the 1990s remains however.

The unfortunate part of energy planning is that the lead times are so long and the forecasts so uncertain that mistakes may not show up until two or even three years after the decision was taken. The latest projections of demand made by the Department of Energy were published in 1979 but were out of date almost as soon as they were written. The price of oil was expected to reach \$30 a barrel (in 1977 prices) by the end of the century. Most of that increase was already taken place, and the economic growth assumptions of 2 per cent for a low case and 3 per cent for a higher case, look increasingly questionable.

The National Coal Board was strongly attacked by expert witnesses called by protesters against its planned new coal mine in the Vale of Belvoir in north-east Leicestershire, on the ground that the nation would not need the production within the timescale estimated by the board. In fact the coal industry has reversed its long time decline in deep

output just as demand has dropped.

Domestic coal production is being undercut by imports, but the more new pits it brings into production the more of the older, uneconomic 10 per cent of production, losing £190m a year, it would be able to close. Miners are naturally troubled over allowing a reduction in output and numbers employed before new pits are working. The intention of the Plan for Coal of 1974 was to raise output. For years the electricity authorities have been as concerned as the NCB's ability to deliver the coal they promised as they have at being obliged to buy more than they needed. Everyone's worry is of a profusion of energy supply and a lack of demand.

Should, therefore, the coal and nuclear programmes be cut? Projections of demand provided by the Department of Energy to the inspector in the Vale of Belvoir inquiry showed that if economic growth were cut to only 1 per cent a year, total demand for coal would be only 110 million tonnes in 1990 and 115 million tonnes in 2000. That is less than is being sold now.

The Energy Select Committee, in its report on the nuclear power programme, questioned both whether the electricity authorities' projection of a 21 per cent a year economic growth by 2000 would materialize and whether electricity demand would rise at 70 per cent of the economic growth rate.

What must be decided is when a short-term fluctuation has become a long-term trend. Programmes, whether they be nuclear, coal, or oil and gas, have a habit of slipping naturally, particularly if a lack of demand is straining cash. The nuclear power programme has slipped by at least a year because of a delay in producing final designs, and the coal programme has slipped badly through planning delays and over-optimistic estimates of the effects of new investment in oil pits. Uneconomic production can be subsidized for a time, but subsidy is never a successful way of achieving long-term growth. If the coal industry does not eventually stand on its own feet, it will shrink.

The greatest single energy saver in Britain could be harnessing waste heat from power stations, but the problem where best to invest is not easily solved, and political difficulties line any route to the future.

Nicholas Hirst
Energy Correspondent

Energy economists describe coal as the "swing" fuel of the future. It is destined to take over from oil as the prime internationally-traded energy source. It is more flexible, more versatile than nuclear power and can act as a substitute for oil, as a feedstock for petrochemicals, as a source of heat, for the generation of electric power or synthetic petrol.

The World Coal Study, WOCOL, directed by Professor Carroll Wilson of the Massachusetts Institute of Technology, in which the National Coal Board took part, estimated that coal would have to supply between one half and two thirds of the additional energy required by the world during the next 20 years.

To achieve this means that production would have to increase between two and a half and three times, and world trade in steam coal, used for most purposes other than steel making, would have to grow between 10 and 15 times. One of the big problems identified by the study was that over the next few years demand for coal was likely to be slack, but the basic services of ports, railways and tankers required to ship it would have to be under construction.

At the summit meeting of heads of state of the seven leading economic powers in Venice last June, political will was put behind the need to increase coal trade. Parts of their declaration on reducing oil imports they agreed to double coal production by 1990, a target which most forecasters believed was obtainable only by 2000, and then only with considerable difficulty.

International coal trade, however, is already picking up, and the bottlenecks predicted in the WOCOL report are already occurring. Congestion in ports in the United States and Australia has cut the deliveries planned under contract to the Central Electricity Generating Board in Britain. Production capacity in the United States, however, remains well above demand.

The problems that an increased international trade in coal can provide for Britain are also rapidly becoming obvious. Imported coal can be landed at £10 a tonne less than is possible with native production or even more cheaply.

Production in western United States and Australia

Versatile source of power

Deep mining should remain economic

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about 125 million tonnes in 1985, after years of gradual decline during the 1970s and early 1980s. Looking further ahead, now and replacing capacity of about four million tonnes a year would create up to 170 million tonnes by 2000.

The programme has slipped badly. Productivity at the coal face has improved dramatically recently, as the 1980m investment programme established seven years ago has begun to pay off, and 1978-80 saw the first improvement in deep-mined output (excluding the effect of strikes) since 1963. But of the 40 million tonnes of new capacity planned for 1993, none has so far come from new mines.

Ministers in the Department of Energy hoped that the effects of the recession and the constraints imposed by its Coal Act of 1970 would force the NCB to close uneconomic pits and concentrate its efforts on new capacity.

But it is understandable that both the miners and the coal board should be nervous of allowing their output to fall further once lost, particularly to imported coal, may never be regained. The Government's plan in the Coal Act was to force the industry to be competitive. An opposing view would be that the security gained from an indigenous source of supply, even at a slightly higher cost than that obtainable from imports, was worth the price.

In the long term, however, the British coal industry will have to prove internationally competitive if it is to grow. Governments will always be reluctant to provide subsidies, and a subsidized industry tends not to lead to the conditions for growth.

The miners and the coal board, nevertheless, have been hit by a temporary fall in demand. The coal industry is still in the process of change, from being run down to testing the full effects of new investment, and if it is

to expand output, temporary subsidies may be no bad thing.

Much will depend on the growth of demand from industry, from the need for synthetic fuels to replace oil and gas and from electricity generation. If electricity demand grows fairly slowly and the Government continues with 15,000 MW of new nuclear capacity over the decade from 1982, demand for coal for electricity generation will be static at best. Growth in industry may depend on the willingness of government to subsidize oil conversion programmes, while the need for synthetics will depend both on the level of discoveries in the North Sea and the willingness of the Norwegians to allow their gas to be delivered to Britain.

But it is not safe at the moment to assume anything except that coal's importance in Britain's energy needs is likely to increase.

N.H.



How did Harwell help tie down 30,000 tonnes of steel to withstand a Force 10?

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ENERGY FUTURES

John H. Williams



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How did Harwell help tie down 30,000 tonnes of steel to withstand a Force 10?

To those involved in the dangerous and fast moving world of energy exploitation, any new technique that enables work to continue under poor weather conditions must be of commercial importance. Add to that, increased safety, greater reliability — and all at lower cost — and the development cannot be ignored.

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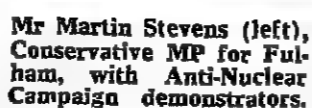
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Scramble is on to develop fuel of the future

Now the all-party select the previous year. The Ge

Nevertheless, the drop in demand for electricity over the past 12 months would indicate caution over future ordering. Electricity sales are expected to be down 7 per cent from the previous year. The



Just how fast demand might pick up once the recession ended is impossible to forecast. The problem with nuclear power as with all other energy industries, however, is that decisions on investments have to be made now to provide for demand eight years and more away.

claims that as a rule nuclear stations will pay for themselves through their lower costs. But the Government has required to replace stations no longer used or to meet a rise in demand. This is a seductive argument for going ahead with the order programme, but the estimates are open to question and benefits spread over 30 or 40 years exceedingly difficult to estimate. It is also true, as the MPs point out in their report, that if it were possible to place that amount of spare capacity, to meet peak demand, from 28 per cent of the total as planned at present to 20 per cent, the investment of some £6,000m might be saved over the next 20 years.

Taking everything into account, the Government's attitude did not think it unreasonable.

reasonable to have a modest programme of nuclear plant building, but it was sceptical whether it should be as high as 15,000 MW. It believed that each station should be assessed on its economic merits.

Worldwide there is likely to be substantial pressure on the nuclear industry around the turn of the century, and Britain will have to be able to keep a capability of its own. It matters little which design is chosen.

The select committee made great play over the electricity authorities' belief that a pressurized water reactor might cost per cent more to build in Britain than it did elsewhere. The Central Electricity Generating Board has tended in the past to prefer the American

needs to be done is for one or the other to be chosen as a single reactor type, and for the industry to be allowed to commit itself wholeheartedly to building that type.

Estimates of the comparative cost should be made before the first PWR is completed. Delays on site, such as at the ill-fated oil-fired site of Grain station, having nothing to do with safety with nuclear power; they happen at large sites of any kind.

The onus is on the CEBG and the Scottish authorities now to readdress their reasons for wanting a nuclear programme of the size they put to the select committee, and convince the country that it is required.

Nicholas Hirst

Competition for stake in the coal business goes much wider than bidding for partnership in mining ventures. Research is being intensified into methods of discovering the most effective way of turning coal into oil, gas and chemicals.

By the turn of the century, fortunes are going to be won and lost on technological choices. The National Coal Board in Britain has staked its claim on the use of chemical and mineral processes to liquefy coal, and is now building two pilot plants. Plans by British Gas include the erection of a £10m plant at Westgate for producing substitute natural gas from coal as part of a £300m research and development programme.

To date the main com-

The latest review of resources in Australia points out that reserves of easily and economically recoverable deposits of high quality black coal are more than 27,000 million tonnes, enough to sustain production for more than 1,000 years at the current rate of exploitation. And there are further inferred resources of more than 600,000 million tonnes.

But an indication of the scale at which coal production is likely to increase is seen in forecasts by Shell in their international trade in steam coal will rise from 48 million tonnes in 1980 to 75 million tonnes in 1985, and 105 million tonnes in 1995; and in the same period recently been increased.

Over a longer period the coal will be converted to

logies, in which the coal is distilled at high temperatures without air.

The commercial production of petrol or substitute natural gas on a global scale is not expected before the year 1990, and the particular products are expected to be more than those derived from oil.

Development will have a profound effect on the position of the countries that provide the main sources of energy. While it is unlikely that oil will become completely independent from other sources, as some nations have been on oil, the industrial countries should be able to escape the Opec noose and to find countries such as Colombia, Chile and Myanmar will enter important suppliers in world trade.

Pearce Wrigley

Pearce Wright
Science Ed

AND NOW FOR THE GOOD NEWS. COAL.

The bad news you can read in the newspapers any day of the week. It can best be summed up as: over the next twenty years our energy problems can only get worse.

Despite new discoveries like the North Sea, availability of oil for industrialised countries is certainly not going to increase, and will, in fact, diminish from now because of uncertainty about the Middle East - by far the biggest source of supply.

The good news, like most good news, hasn't received quite so much publicity. It is that Britain has coal reserves which, based on present mining techniques and present levels of production, will last for at least another three hundred years; with the improvements in technology that will undoubtedly come during that time, the reserves will last very much longer.

Where will your company be in 300 years time?

We are sure we don't have to remind you of the three words you can read in the newspapers almost any day of the week: Middle East crisis. We'll leave it to you to conjure up pictures of soaring oil prices, unreliable supplies and increasingly tight stock.

In fact, there is now no concrete argument for not installing coal fired boiler equipment, particularly if your company is planning to be around for some time.

Coal: be prepared to be surprised.
There have been some very impressive advances in boiler technology, combustion, as well as methods of coal and ash handling.

Year	Total (%)	Ash (%)
1980	85	15
1981	90	10
1982	88	12
1983	87	13
1984	88	12
1985	89	11
1986	88	12
1987	87	13
1988	88	12
1989	89	11
1990	88	12



The whole operation may be very different to how you imagine.

It's extremely efficient. It's now possible to operate in excess of 80% thermal efficiency with modern coal fired plant, which makes coal firing both very economic and competitive.

It can be completely automatic with the modern coal and ash handling equipment now available. This permits coal fired boiler houses to be light, airy and clean.

And it's very up-to-date. Over the years extensive research and development programmes have been carried out. The most recent development is fluidised bed combustion. This technique provides higher heat release rates, which means boiler sizes, and

It also means that a wider range of coal can be burned and with combustion taking place at a temperature below the melting point of ash, boiler availability is greatly extended.

With all these benefits it seems a waste for industry to consume premium fuels like oil and gas when there is plentiful and more economic coal available.

Companies that can see beyond the next 20 years.

For example, John Sanders, Chief Engineer at Hotpoint, says "We are experiencing fantastic savings whilst many around us are facing problems with other fuels. We selected coal as our main fuel because

The new boiler house and its four multi-

The four new GWB Vekos multi-fuel boilers burn weekly no more than 215,220 tonnes, which compares with the four old

The other savings, apart from a much reduced annual fuel bill, has been the reduction in manning levels. The whole system is virtually automatic.



Let us tell you more. . .
The wide range of coal fired boiler plant and equipment is designed to meet every conceivable need, from power generating require-

We can advise you on making the best use of your existing plant, provide information about new equipment and services, and refer you to the appropriate NCB Technical Service.

Send to: The National Coal Board, Technical

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I would like some technical leaflets on modern industrial heating equipment.

I would like one of your fuel engineers to visit my company.

We are considering installing new industrial coal fired plant.

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ATCOST

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Companies slipping into the poverty trap, page 25

Stock markets
FT Ind 496.2, down 3.2
FT G'ts 68.64, down 0.33

Sterling
\$2.2060, up 255 points
Index 99.5, up 0.8

Dollar
Index 101.3, down 0.1
DM 2.1580, up 85 points

Gold
\$472.50, up \$7

Money
3 mth sterling 127.12
3 mth Euro \$ 17.17
6 mth Euro \$ 17.16

IN BRIEF

800 jobs to go in BL cutback at Cowley

BL Cars has told shop stewards that it must cut the 12,000-strong labour force at its two Cowley car plants by 800 as soon as possible to keep manufacturing in line with reduced demand.

There will be compulsory redundancies if insufficient volunteers come forward by the April deadline.

Production of the Ital, BL's best-selling family saloon, is to be cut from 1,500 a week to just over 1,000. Most of the redundancies are on the Ital body and assembly lines.

A BL spokesman said: "We have to keep our stock inventory in balance with recession-hit sales to protect the jobs of remaining employees."

Grindlays' profits fall
Profits of Grindlays Holdings, the quoted company which owns 51 per cent of Grindlays Bank, fell last year from £37.28m to £34.77m. After tax and extraordinary expenses, profits are down from £17.76m to £15.39m. The dividend for the year has been lifted from 5.35p gross a share to 5.9p. The board says that profitability was affected by the strength of sterling and higher provisions for bad debts.

£4m investment
BP Chemicals is to invest £4m in new plant for its Hythe Chemicals subsidiary, near Southampton, as part of the development of its business into smaller-volume, higher-value chemicals. Output of hydroxypropyl methacrylate, used in paints for the car industry, will be expanded. More than 200 jobs will be secured by the investment programme.

Escort output halted
Production of the new Escort has been halted for the third time in a week by unofficial action at the £125m Ford car plant at Halewood, on Merseyside. A total of 3,500 men in the body and assembly plants had to be sent home on Monday night after a walkout by six men in the body shop over a manning issue.

Port redundancies
The Dock Labour Board at Hull yesterday agreed to make application to the National Board for authority to seek up to 320 voluntary redundancies from the registered port labour force because of the serious labour surplus.

Berlei to close plant
Berlei, the brasserie makers, is to close its Portsmouth factory at the end of May with the loss of 200 jobs.

Foden pay-out
Creditors of Fodens, the Cheshire truck manufacturer which went into receivership last July, will get only 10p for every pound of the £20m owed to them, the liquidators announced yesterday.

Wall Street down
The Dow Jones industrial average closed at 966.02, down 11.97 on Wall Street yesterday. The S&P 500 exchange rate was 1.2136 while the £-SDR rate was 0.556342.

Britain accuses EEC partners of subsidizing energy prices

From Michael Hornsby
Brussels, March 3

Britain today accused the French and West German governments of charging economically low gas and electricity prices to their manufacturers, thereby giving them a competitive advantage.

After a meeting here of European Community energy and industry ministers, Mr Norman Lamont, Britain's junior minister at the Department of Energy, said "we are not convinced that economic pricing of electricity is always being followed in other Community countries."

The European Commission is undertaking a comparative study of energy pricing policies in the EEC and is expected to report it to the ministers at their next meeting in June.

Mr Lamont said he hoped the Commission would "begin investigating some of the facts" straightaway and that he expected its report to identify price differences and explain the reasons for them.

There was a swift denial of the British charges from M. André Giraud, the French energy minister, who said: "I do not know where the British got this idea. It is quite simple, there are no price subsidies in France, and we have nothing whatever to fear from the Commission's report."

The exchanges came on the eve of the publication in Britain of a report by the National Economic Development Council (NEDC), which is expected to show that many British manufacturers are paying up to 40 per cent more for their electricity than do their competitors in France and West Germany.

Mr Lamont said that Britain was not looking for harmonization of prices, but rather an agreement that prices should be "based on actual costs and should be economic."



Mr Lamont: not convinced on European pricing.

He believed that the West Germans and French were, in effect, subsidizing their industries through artificially low electricity prices.

Ministers agreed to pursue work on a scheme for pooling surplus oil stocks so as to provide a reserve supply on which individual member states could draw if suddenly faced with a shortfall.

Under present rules, the EEC's crisis mechanism for oil sharing is only triggered if there is a 7 per cent shortfall in the Community's total supplies.

The idea behind the new scheme, in the words of Mr Lamont, is to enable the EEC to respond "in the grey area" before the 7 per cent threshold is reached, and thus reduce the danger of panic buying by member states on the spot market, which pushes up prices.

The European Commission, together with national officials, is to supervise preparatory work on the oil bank scheme with a view to making detailed proposals at the June ministerial meeting.

US urged to cut high interest rates

From Frank Vogel

US Economics Correspondent

Citibank and other big American banks have cut their prime lending rates to 18 1/2 per cent from 19 per cent. However, other short-term rates moved up and it is these movements that are providing additional strength to the dollar in currency markets.

High American interest rates must be reduced because they are directly helping to push Europe into a recession, M. René Monory, the French economy minister, said. Mr Monory is in Washington this week for talks with the Reagan administration.

The rate for Federal funds was trading at about 16 1/2 per cent today. At this level there is still ample scope for banks to cut their prime rates further, but the banks are unlikely to move until they see more clearly just what short-term policies the Federal Reserve Board plans and how these will influence the rate for Federal funds.

The Fed may intervene to slow the rise in the Federal funds rate by adding reserves to the system. Such action would lead quite swiftly to further prime rate reductions.

Increasing numbers of analysts believe that the economy will move into recession because of the austere Fed policies of recent months. Declines seen in the money supply recently have been greater than the markets expected and quite possibly greater than the Fed expected and may enable the Fed to add to reserves.

Latest figures for the week to February 18 show a decline in M1A on a seasonally adjusted annual basis of 2.2 per cent over 13 weeks previous, while M1B rose by only 1.3 per cent.

The Federal Reserve Bank of New York added reserves to the market to halt the climb in the Fed funds rate today.

This was the first action by the Fed since early January, but then today's rise in the Fed funds rate was most substantial.

Joint projects: Talks are well advanced between the Export Credits Guarantee Department and the Japanese Ministry of International Trade and Industry on a joint insurance agreement that would introduce flexibility into government financing of Anglo-Japanese projects in third countries (Derek Harris writes).

This was disclosed in London yesterday at the end of a two-day conference between the Engineering Employers' Federation (EEF) and a team of senior industrialists from member companies of the Japan Machinery Exporters' Association, aimed at fostering trade in third countries between British and Japanese companies.

overseas, especially in Third World countries. Japanese business has pressured the Tokyo Government into easing regulations which prohibited the mixing of Ex-Im bank financing with soft loans as low as 3.25 per cent from the Overseas Economic Cooperation Fund.

The Government is expected to promote the use of the mixed credits by Japanese companies bidding on projects worth less than \$100m. Previously the subsidies could be used only for plants costing more than that.

Japanese companies have complained they are losing business to European competitors because other countries are more willing to provide cheaper credit to promote the exports of their plant exporters. The Government is likely to announce its plans to boost the

economy some time in mid-March and the export promotion steps will be a key part of the package.—Reuter.

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Pound climbs back against dollar to close more than 2.5 cents up

By Frances Williams

The pound made an astonishing comeback on the foreign exchange market yesterday, wiping out the whole of yesterday's fall against the dollar and gaining strongly on continental currencies.

Sterling climbed by more than 2.5 cents to end the day at \$2.2060, and its effective exchange rate index, measured against a basket of leading currencies, rose 0.8 to 99.5.

Dealers said that the pound had been the principal beneficiary of a weaker dollar, reflecting a downward revision in expectations on the size of a cut in minimum lending rate in next week's Budget away from 3 per cent or more towards 2 per cent.

The pound's recovery may come as a disappointment to the Government and to industry, to whom last month's slide of more than 5 per cent against its trade weighted currency basket portended some relief in terms of international competitiveness.

Sterling's fall in January could well be reflected in the figures on the United Kingdom's gold and foreign currency reserves published yesterday. These showed that the reserves rose by \$40m (£18m) in the month to stand at a record \$28,434m (£12,906m). But after taking account of additional public sector borrowing under the Exchange Cover Scheme the underlying change was marginally down, by \$4m, the first fall for more than a year.

The underlying change includes Bank of England intervention in the foreign exchange market as well as other transactions. Although the Bank's avowed policy is to intervene in the markets only to smooth fluctuations, the balance of intervention will have been to reduce the reserves by using foreign currency to buy sterling.

The dollar's weakness yesterday was attributed by some dealers to the test case in prime rates by United States banks, but others said these moves were expected and did not alter their confidence that American interest rates will remain high. Eurodollar deposit rates were generally easier.

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Monopolies inquiry on Davy bid

By Andrew Goodrick-Clarke

A £143m takeover bid by Enserch Corporation, a Texas utility and oil exploration group, for Britain's largest process plant contractor, Davy Corporation, has been referred to the Monopolies Commission.

This decision by Mr John Biffen, the new Trade Minister, naturally was welcomed by Davy and accepted as inevitable by the Enserch camp.

Enserch, which Enserch decides to make its case for allowing the takeover before the commission—as it almost certainly will—the investigation has to be completed within six months.

The grounds for making the reference under the Fair Trading Act are that the assets of the combined grouping would exceed £15m, but the Office of Fair Trade had in mind potential employment and balance of payments consequences.

The OFT apparently was impressed by Davy's case that its technology was superior to that of Enserch; that it was an important buyer of British engineering equipment; and that it had gained valuable Eastern bloc contracts which might not be so readily available to a United States company.

This is the second important reference Mr Biffen has made to the commission within a week. Last Friday he asked for an investigation into Cable and Wireless company's move to a step closer yesterday.

After a lengthy debate, the standing Commons committee dealing with the Telecommunications Bill approved the clause which will enable the Secretary of State for Industry to sell off shares.

Mr Kenneth Baker, Minister of State for Industry said that he expected to make a Parliamentary statement detailing the Government's disposal plans as soon as consultations with certain Commonwealth governments were completed.

He said that three-quarters of the company's employees are either based overseas or foreign nationals, and that most of the company's assets are located abroad.

Mr Baker refuted accusations that the Government was acting out of "dogmatism". He did not say what proportion of shares the Government envisaged selling, but argued that mixed ownership could enable the state to tap funds for its own expansion.

Answering what he described as a "rather cheeky" amendment that any disposal should be delayed until at least January 1985 to allow "time to adjust", Mr Baker denied that the sale of shares would cause any damage.

Specifically, the Welsh steelworkers want the Council of Ministers to approve a scheme of temporary aid that would keep the plant in operation until the economic situation improved.

The Llanelli men say that, although the Duport plant is three times more efficient than the British Steel equivalent, the corporation has been able to use its state subsidy to market its products at artificially low prices, undercutting the private sector.

Cost disadvantage, page 24

As part of the proposed plan, the European Commission would also tighten up its monitoring of aid to the industry to ensure that no assistance would be granted "to preserve obsolete capacities or to enterprises which do not make necessary efforts to restructure by reducing net capacities".

The Commission would also use its powers under the European Coal and Steel Community Treaty to grant loans for steel investment programmes "where projects achieve a satisfactory degree of restructuring and would avoid fine steel firms found guilty of unfair price-cutting."

As the meeting dragged on into the evening, the Llanelli workers were still waiting for a promised meeting with Van Aardenne. They did, however, succeed in getting a letter sent in.

Mr Greville Hawley, a TGWU national officer and leader of the British Leyland union negotiating team, said the unions should insist on a manufacturing base being maintained in this country with agreements on reciprocal sales outlets.

The British car industry will be dead within five years without import controls, Transport and General Workers' Union leaders told a meeting of car workers and MPs at the House of Commons yesterday.

Mr Fred Blake, secretary of the union's vehicle building and automotive group, pointed out that other countries already operated strict controls.

France allowed only three per cent of its market to be taken by foreign cars. In Italy a reciprocal one-for-one arrangement was allowed and it was difficult to get cars into Spain at all, he said.

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Strong pound forces Unilever dividend cut

By Richard Allen

Unilever, the United Kingdom part of the huge Anglo-Dutch foods group, has been forced to cut its dividend because of the strength of sterling.

The final payment has been reduced by almost 8 per cent, to leave total dividends for the year down by almost 5 per cent to 32.7p gross. The move surprised the stock market and Unilever's shares fell 15p at one point before recovering to close 8p lower at 475p.

The dividend announcement coincided with a declaration in Holland of dividend increases totalling almost 13 per cent for holders of Unilever NV shares and reflects the effects of sterling's appreciation on the group's equalisation policy.

After a year in which the pound increased by more than a fifth against the guilder, Unilever would have to have increased its Dutch dividends by 20 per cent in order to maintain the United Kingdom payment.

A spokesman said last night that this could not be justified in trading terms. The Dutch government also is understood to be exerting moral pressure on companies to constrain dividend increases against the background of a statutory wages policy.

Unilever is looking at ways in which its equalization policy could be adjusted to take account of future erratic currency movements.

The stock market was soured by trading news from the group showing a 13 per cent profit jump to £142.2m in the fourth quarter.

Adjustments for sterling's strength stripped 161m from full-year profits to leave them at £126.1m, or 55.7p per share.

The group said that despite the recession consumer products business was holding up well in Europe, but chemicals, plastics and packaging underperformed, particularly in the fourth quarter.

Shares of Shell fell back 6p to 418p yesterday on fears that the group which operates a similar equalisation policy to that of Unilever may also be forced to cut its United Kingdom final when it reports next week.

Financial Editor, page 25

As part of the proposed plan, the European Commission would also tighten up its monitoring of aid to the industry to ensure that no assistance would be granted "to preserve obsolete capacities or to enterprises which do not make necessary efforts to restructure by reducing net capacities".

The Commission would also use its powers under the European Coal and Steel Community Treaty to grant loans for steel investment programmes "where projects achieve a satisfactory degree of restructuring and would avoid fine steel firms found guilty of unfair price-cutting."

As the meeting dragged on into the evening, the Llanelli workers were still waiting for a promised meeting with Van Aardenne. They did, however, succeed in getting a letter sent in.

Mr Greville Hawley, a TGWU national officer and leader of the British Leyland union negotiating team, said the unions should insist on a manufacturing base being maintained in this country with agreements on reciprocal sales outlets.

The British car industry will be dead within five years without import controls, Transport and General Workers' Union leaders told a meeting of car workers and MPs at the House of Commons yesterday.

Mr Fred Blake, secretary of the union's vehicle building and automotive group, pointed out that other countries already operated strict controls.

France allowed only three per cent of its market to be taken by foreign cars. In Italy a reciprocal one-for-one arrangement was allowed and it was difficult to get cars into Spain at all, he said.

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Stock Exchange Prices

Selling of blue chips

ACCOUNT DAYS: Dealings Began, March 2 Dealings End, March 13. Contango Day, March 16. Settlement Day, March 23
Forward bargains are permitted on two previous days

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BY THE FINANCIAL EDITOR

Unilever's unkind cut

Unilever's British wing has joined ICI in jolting the market with a final dividend cut which reduces the total payment for last year by almost 5 per cent to 32.7 per cent. The difference, though, is that Unilever's shareholders are victims not of recession but of the unprecedented strength of sterling against the Dutch guilder.

Unilever NV has in fact increased its dividend by almost 13 per cent after a year in which the group's recession-proof characteristics have been demonstrated by a 4 per cent improvement in profits to £628m pre-tax before currency adjustments.

On this basis, the fourth quarter has proved particularly good with a 13 per cent jump to £142m although comparisons are judged by the EEC buffer dumping debacle in the corresponding period.

Adjusting for sterling's 20 per cent appreciation, however, the pre-tax return falls to 5567.7m and British shareholders are left with scant reward in dividend terms.

Under Unilever's equalization agreement, maintaining the United Kingdom payment would have meant increasing the NV dividend by almost a fifth. That the board could not countenance on trading grounds even without moral pressure from the Dutch Government for sobriety.

At least Unilever is well aware of the problem and is looking at possible adjustments to equalization to enable more flexibility in the future. It is difficult to see, however, how such adjustments could be made without opening up all sorts of arbitrage problems.

Meanwhile, Unilever's fourth-quarter trading has followed the pattern of previous months with good results in margarine, oil milling and detergents, offset by severe problems in chemicals, paper and plastics and packaging.

An annual volume gain of 2.5 per cent has been achieved with further pressure on margins and hopes of this pressure abating in the current year could be fairly slight.

Even so, hopes of a fairly sharp turn as Europe comes out of recession should ensure the shares stabilize after yesterday's 5p fall to 475p, where a near 7 per cent yield offers a surprising 1 point premium over the all-share index.

Shell shares, meanwhile, fell 6p to 418p yesterday on the view that that group will be caught in the same equalization trap when it announces its dividend next week.

Grindlays A speculative background

For several months now the market has placed its faith in an eventual bid for Grindlays Holdings or Grindlays Bank or both rather than on any fundamentals.

And just as well for present shareholders, some of whom seem to have jumped aboard ahead of yesterday's results, for without the speculation the shares of Holdings, the only



Mr Nigel Robson, chairman of Grindlays.

ones quoted, would have been a great deal lower than today. It is even questionable that even with a bid whether, at current levels, there is much to go for anyway.

The belief that sooner or later the knotty relationship between Lloyds Bank and Citibank will be untangled is, however, likely to prove true sooner or later. Lloyds Bank has a 41.4 per cent share in Grindlays Holdings which in turn owns, as practically its only asset, a 51 per cent share in the bank. The 51 other per cent are held by the American Citibank. Put another way, Lloyds Bank need not hurry into a deal it likes comes along.

The 1980 results, announced yesterday,

are below the worst City expectations. Pre-tax profits of Holdings—they are virtually the same for the bank—turn out at £37.1m as against £34.7m in 1979. Most of the fall was in the second half when profits slipped by over £2m. Although the dividend is fractionally lifted it is nothing like the increases made by the clearers.

Grindlays it is true uses the dollar as its main currency and last year's strength of sterling contributed to the fall. This year a weaker sterling should help the group to show higher profits. The other major change has been in specific provisions for bad debts which at £3.5m are nearly £2m higher than in 1979 when a substantial debt recovery took place.

This year results should be better. After the raising of £100m of new subordinate loan stocks to replace \$60m of old ones Grindlays can expand faster its business. But even so on fundamental merits the shares at 175p yielding only 3.2 per cent, nearly a third of the yield offered by some clearers, and a fully taxed PE ratio of 6.8, half as much as the clearers, look expensive on any view but that of a generous bid.

Enserch/Davy The inevitable reference

A reference to the Monopolies Commission of the Enserch bid for Davy Corporation appeared inevitable from the outset. Davy's case for independence has been that it is the remaining pure process plant contractor in Britain; that its value to the United Kingdom engineering sector is greater than it appears on the surface in that it is a substantial buyer of equipment, and that Enserch is a relatively unknown and, perhaps, opportunistic, United States bidder whose motives and capacity to absorb an important company like Davy were worthy of investigation. All this Davy carried the argument.

So the bid will not be resolved until the autumn. The Commission has six months to report and its investigation, taking it into extremely technical areas, promises to be one of the most complex undertaken.

Enserch has to consider whether it will take its case to the Commission, but it knew the score before it started this one and it can be assumed that it will maintain its interest in acquiring Davy, a prospect which will sustain Davy's share price—down 14p to 148p yesterday—in the face of pretty dismal trading prospects.

AAH Coming through the recession

AAH has kept profits moving ahead for the past thirteen years but this time it will be tough and go whether it can beat last time's £9.1m before tax. In the nine months to the end of 1980 pre-tax profits were just up from £6.46m to £6.49m and earnings showed a similar small increase to £2.9m, thanks to lower minority interests offsetting the proportionately higher tax charge under the new stock relief rules.

The weather and its impact on solid fuel demand will probably decide whether AAH does slightly better or worse for the full year. But the one-tench increase in the interim dividend, which seems likely to be repeated with the final, suggests that AAH is fairly confident.

Unfashionable though conglomerates may be, it is AAH's spread of interests which are enabling it to weather the recession so well. Road haulage, engineering and builders' supplies have slipped back by varying degrees and trading profits from fuel oil more than halved from £1.6m to £0.7m, although comparison is with an exceptional period when margins were inflated by oil shortages.

But nearly doubled profits from pharmaceutical wholesaling where margins have recovered sharply and a £1.4m rise to £3.7m from solid fuels have more than made up the difference. The increase in solid fuels included large stock profits on the domestic side but even so the prospects here—the area of the business which AAH had been diversifying away from in past years—look increasingly gloomy following the oil crises of the past decade. But AAH's failure to win Renwick Fuel was a disappointment.

Up 5p to 190p where the likely yield is 7 per cent, the shares are sound enough, given the good record and solid prospects.

One of the problems which the Chancellor will have to tackle at some point—and could tackle in the Budget—is the "tax exhaustion" now besetting many British companies.

The complaint arises not because companies pay too much tax, but because they are liable to too little. They are liable to so little because they are making next to nothing in the way of profits, and in consequence the normal investment incentives have, in many cases, no immediate value. So tax exhaustion is at once one of the causes and one of the symptoms of British industrial anaemia.

It manifests itself in the form of unused and unusable tax reliefs and allowances. Of these there are four that cause particular concern.

In the first place there are the first-year allowances, designed to encourage investment in new plant and machinery. Secondly, there is stock appreciation relief, recently the subject of new proposals from the Inland Revenue, but still basically designed to relieve companies of the need to pay tax on increases in stock values caused by inflation.

Then there are interest charges, normally an allowable expense "above the line" and, finally, rather different in nature, though the in effect there is the relief, against the full year's tax bill, for advance corporation tax (ACT) paid during the year on dividend distributions.

Under normal circumstances a company can set off against its (taxable) profits expenditure on new plant and machinery, on maintaining the same level of stocks and on paying its

interest charges, thereby cutting its tax bill, boosting its cash flow and reducing the effective cost of such expenditure.

At present, cash flow considerations are irrelevant (except in the case of ACT), because in most cases there is no tax to pay anyway. But effective cost of such expenditure could have very nearly doubled.

So a company with taxable profits against which to set its interest charges effectively knocks the charge down by the rate of corporation tax. A company with no taxable profits has to pay the same amount to the bank but saves no tax on the debt.

The Confederation of British Industry's tax committee, reflecting on the spread of this anomaly, produced an amendment to last year's Finance Bill proposing that the banks should charge interest not at the rate of corporation tax and that they in turn should suffer no tax on the income. But the scheme—which was similar to the "Business Start" scheme which Barclays subsequently produced

for small companies—died the death before the Bill became law.

While the CBI still pursues the idea, it does so somewhat tentatively. This owes something to uncertainty about the clearing banks' response, because such a scheme might supersede their leasing business, which has flourished in part because it provides a way for tax exhausted companies to obtain the benefits of first-year allowances without actually buying for themselves.

But the tentative approach owes still more perhaps to a gloomy if realistic assumption that the size and intractability of the problem is likely to deter the Chancellor from doing anything about tax exhausted companies at all.

The size of the problem is indeed formidable. Largely thanks to the introduction of stock relief in 1974 very few companies now pay any main-stream corporation tax at all; and, while there are ways and means of using allowances when there are no taxable profits to set them off against, they are so tightly restricted, to prevent tax avoidance, that most companies have no option but to call in their unused allowances to pile up.

They can, of course, be carried forward indefinitely, except in the case of stock relief, which under last November's proposals from the Inland Revenue is subject to a six-year time limit. It is estimated that there are now some £30,000m of unused allowances being carried forward to set off against taxable profits in the future.

That is a problem for two of the interested parties. First, it is a problem for the Chancellor, who not only has to live with the fact that the yield on corporation tax is very low at the moment, but must also recognize that it is likely to continue low when taxable profits start to recover.

It is possible to interpret the six-year time limit on carrying forward stock relief as the first salvo in a battle to limit the capacity of companies to use tomorrow the allowances that they cannot use today.

Secondly, it is a problem for the companies involved, who could ideally do with a tax refund now rather than allowances later. Given that this one is almost certainly a non-starter, they could at least do with some action on ACT.

Unlike the other reliefs and allowances, which may not help

cash flow when there is no tax to set them off against, or at least do not reduce it, payment of advance corporation tax actually cuts the amount of cash at the disposal of companies. When it subsequently emerges that there is insufficient main-stream corporation tax payable against which to offset the tax already paid (which, it is estimated, happens in respect of one third of all payments, worth some £600m a year), it is no consolation that the damage done to cash flow when times are hard may be remedied as things grow easier over the longer term.

For companies with no taxable profits, must be more obvious than for most that in the longer term we shall all be dead.

With most of the obvious solutions to the ACT problem (eg, cutting the rate, subject to complications, it looks at present as if even this small mercy is likely to be denied to the corporate sector. In fact, the Chancellor's most likely to shelve the whole question of tax exhaustion, possibly with a reference in the long forecast and still receding Green Paper on the reform of corporation tax.

For those companies that survive the recession, of course, the whole question will sort itself out in time. But the time required may be the longer, because except in the case of those companies which are making taxable profits already, the normal tax incentives for investment have no immediate value. And some companies will not be able to survive so long.

Russian economy: a determination to muddle through

Mr Nikolai Tikhonov, the Soviet prime minister (right), says that the task is as monumental as the entire industrialization of the country under Stalin



were attractive and brought pleasure to people's homes.

For the first time, the Russians have given consumer goods priority over heavy industry, reflecting the increasingly acute problem of unsatisfied consumer demand. Food supplies are also to be improved under the new crash food programme, but Mr Tikhonov admitted that the tasks facing Soviet agriculture which now swallows almost a third of all Soviet investment, were "very formidable".

Cutting waste was the first priority—especially of such things as grain, potatoes, vegetables, meat and milk.

The Soviet leaders gave a warning that the state could not afford to go on pouring huge sums of money into agriculture without a better return on its investment.

The congress heard the expected warnings to Soviet workers to work harder and more responsibly. Breaches of discipline could not be tolerated.

The Soviet leaders gave strong hints that in future wages would be tied more closely to output—those who worked harder would be able to earn more, while idlers would have their wages cut.

Mr Brezhnev admitted that in spite of all this the general outlook for the Soviet economy was not very promising. Part of the reason lay with the world economic situation and spiralling prices, which he said were making themselves felt in the domestic economy. There were also too many ingrained habits and the force of inertia left over from the time when it was more important for the Soviet economy to expand quantitatively than qualitatively.

But there was apparently no need for any economic reform: the party's economic strategy, Mr Brezhnev asserted, was correct. He and Mr Tikhonov gave glowing promises of what would be achieved in the next five years—an average wage rise of 14 per cent, more roads, railways, housing, social amenities, consumer goods, higher pensions, better medical facilities, new farm houses and pensions and better social services.

The Soviet leaders rejected western "slander" that the economy was in a state of crisis. To avoid the embarrassment of being pinned down to long-term promises, the congress deleted all references in the 1961 party programme, drawn up under Nikita Khrushchev, to catching up and overtaking the West. The Soviet leadership explained that it was impossible and inappropriate to foretell particulars. Communism might eventually guarantee the good life—but not just yet, it seemed.

Michael Binyon

Business Diary: What welcome for Walters? • TGWU's Bevin boy

A prophet is not without honour, save in his own country, and in his own house, says the gospel according to St Matthew.

Alan Walters, the British prophet of monetarism, has returned from Johns Hopkins University in Baltimore, in the United States, to great honour in his own country as spiritual counsellor to Mrs Thatcher.

In July, Walters proceeds to further honour, if not in his own house then in his own home town, Leicester, when he is to be awarded an honorary doctorate of his alma mater, the local university.

However, such is the esteem in which Thatcherism is held in those parts that the award will be conferred over, if not the best, then the considerably disgruntled bodies of members of the Labour-controlled city council, the university students' union and members of the university council itself.

A motion deploring the lack of involvement of the university council in proffering the award is to be tabled by non-officials at the next meeting three weeks today.

The main support for Walters comes from the vice-chancellor, Maurice Shock. The opposition comes from a coalition of those disliking Shock, the cuts in university spending and the award of honours to the politically contentious.



Rachel Terry.

Few people make the switch between local government and the City and it is particularly true of a woman in a head for what is still very much a man's world. None the less, Rachel Terry is giving up her job as head of the Greater London Council's borrowing section for the arcane world of sterling money brokers Butler Till and it certainly looks like local government's loss and the City's gain.

At the GLC Mrs Terry, a 33-year-old maths and philosophy graduate from Nottingham University, has managed £2,500m of borrowing at a time of bur-

geoning council spending. Every year she has to refinance £400m-500m of that total somewhere in the City and, as Butler Till is one of the specialists in local authority finance, it will have had every opportunity of sizing Mrs Terry up.

Evidently, the money brokers liked what they saw and Mrs Terry is being recruited to the "specialist finance team"—a sort of four-strong think tank which aims to see whether practices in the various money markets can be transplanted one to the other.

Starting off as a computer specialist at the GLC Mrs Terry moved into the finance department almost by accident, when she recommended that the best value for money that could be given by the "value for money unit" set up as a result of the Layfield Committee on local authority finance was for it to be disbanded.

The only job in finance at her level that did not require an accountancy qualification was to look after the GLC's overdraft. She is best known in local authority circles as a joint secretary of the Treasury Committee on local authority borrowing, where she has been dealing with the twin problems of lengthening debt and of improving the marketability of local authority loans.

Britain's biggest union, the Transport and General Workers' (more than two million members), is going into publishing in quite a big way this month.

On Friday it is to publish a biography of the former Ernest Bevin, and later this month the union is to help publicize a children's book, presumably published in pursuance of the Jesuit maxim "Catch 'em young", entitled "What is a Union?" by Althea Braithwaite. TGWU's general secretary, Moss Evans, will speak at its launch.

The Bevin biography marks the centenary of Bevin's birth next Saturday and is by—wait

for it—not a union man, but Mark Stephens, who until recently was an official of the West Midlands Engineering Employers' Association.

Stephens approached the TGWU with the idea of writing the book after seeing a letter in *The Times* from Evans's predecessor, Jack Jones, about the need to celebrate in fitting manner the centenary of Bevin's birth.

* Ernest Bevin: *Unskilled Labourer and World Statesman*, by Mark Stephens; TGWU, 95p. * *What is a Union?* By Althea Braithwaite; Dinosaur Publications, 70p paperback, £1.85 hardback.



"Times change. I can remember when minimum lending rate—Bank rate, as it was—stood at 2 per cent for year after year. Now they are talking of cutting it by at least 3 per cent!"

Wilmer & Pickering of K Street, Washington DC, take pleasure in announcing, their card says, that their name has again become Wilmer, Cutler & Pickering.

Furthermore, Wilmer & Pickering—oops, sorry, Wilmer, Cutler & Pickering—also take pleasure that Lloyd N. Cutler, Daniel Marcus, Sally Katzen, Deanne C. Siemer and William T. Lake "have again become members of the firm".

What has been going on at Wilmer & Pickering? My researches took me to the firm's London offices and the garage in charge, Sam Lannan, who told me that it is a nest of lawyers. The change of name and of partners was dictated by the fact that Messrs Cutler and Co left to join the Carter Administration.

Ronald Reagan having superseded him, they had now left to rejoin Wilmer & Pickering, which is where I came in.

There will be at least one dissenting voice today when Lannan shareholders gather to approve their group's proposed takeover of House of Fraser—Fraser's managing director William Crossan, who owns 1,510 Lannan shares, acquired when Lannan bought Scottish and Universal Investments.

Ross Davies

WINTRUST LIMITED

Interim Statement for Six Months ended 30th September, 1980

	6 months to 30th Sept 1980	6 months to 30th Sept 1979	12 months to 31st March 1980
Group profit before taxation	781,720	705,656	1,517,855
Estimated taxation	315,300	277,171	605,943
Group profit after taxation	466,420	428,485	911,912

* Half year pre-tax profit at record level.

* 2nd Interim ordinary dividend increased by 10%.

* Pre-tax profit for full year expected to reach highest level ever achieved by the Group.

Interim Accounts available from The Secretary, Wintrust Limited, Imperial House, Dominion Street, London EC2M 2SA. Telephone 01-920 0031



£822m Italy ships deal with Iraq

Export authorization has finally been given by the Italian Government for a \$1,800m (£822m) deal whereby Financieri, the state-owned shipbuilding group, will supply Iraq with a fleet of 11 warships for the Gulf.

A Financieri official said companies in the group will build four "lupo" class frigates, six corvettes of 600 tons, a support vessel of the Stroomtj class, and a floating dock able to take ships up to 8,000 to 10,000 tons.

The contract has been under negotiation for more than a year. At one time the United States vetoed the supply of the 2,500-ton missile launching frigates because their gas turbine engines are made by Fiat under licence from General Electric, and Iraq was then considered to be in the Soviet sphere of influence.

Liquefaction deal
Mitsui SRC (solvent refined coal) Development Company said in Tokyo that it has signed a contract in Melbourne with CSR of Australia jointly to study the possibility of building a coal liquefaction plant in Victoria State.

S Korea exports
South Korea's exports totalled \$2,836m (£1,295.5m) in the first two months of this year, up 22.6 per cent from a year ago and 13.8 per cent of this year's export goal of \$20,500m.

Canada fuel prices up
The price of petrol and home heating oil in Canada has been raised by half a cent a litre. The increase was imposed to defray the cost of higher crude oil imports.

£298m coal project
A West German delegation will start talks with United States officials in Washington on March 3 on Germany's stake in a DM1,400m (£298m) coal liquefaction project.

Japanese steel trade
Japan's steel exports fell 12.7 per cent in January, from the year before to 1,722 million metric tons, a 37.3 per cent drop from the previous month.

RESERVE FIGURES SENT BY CITY AS INDICATING TENDENCY OF INTERVENTION

Checking on the Bank of England

Each month, when the figures for the United Kingdom's gold and foreign currency reserves are published, they are eagerly scanned by City observers anxious to detect to what extent the Bank of England has been intervening in the foreign exchange markets.

This happens despite the Government's insistence that it has no exchange rate target and that the Bank intervenes solely to smooth excessive short-term fluctuations. The Treasury has also said that the extent of intervention cannot be deduced from the published reserves figures.

But the existence and scale of intervention is still regarded as significant. The City is interested in clues to the authorities' view on the exchange rate and is also concerned about the effect of intervention on the domestic money supply.

If, for example, the Bank of England tries to prevent the pound from rising, it must sell pounds in exchange for foreign currency. The foreign currency goes to increase the reserves; the pounds sold may find their way into the bank deposits of United Kingdom residents. To the extent that they do, the main measure of money supply, sterling M3, will rise.

The so-called "underlying" change in official reserves is conventionally taken to indicate the extent of Bank of England intervention. This is arrived at by taking out of the actual change in reserves

borrowings and repayments to the International Monetary Fund, foreign currency borrowing by the Government and public authorities, under the Exchange Control Scheme, and revaluations and certain other changes.

In total, these converted an actual net addition to reserves of about £2,000m in 1980 into an underlying addition of about £1,400m.

This underlying change reflects not only any Bank of England intervention in the foreign exchange market but also the Bank's transactions for customers (other central banks, the IMF, foreign government monetary institutions), the Government's foreign transactions (for example, for defence or aid to developing countries) interest payments and receipts on government loans, and the interest earned by investing the reserves.

The Bank insists that market intervention is confined solely to smoothing excessive fluctuations and amounts to no more than around £5m to £10m a day. Nevertheless, last year when the pound was rising strongly the intervention was heavily in one direction, which would have boosted the reserves (and the money supply) to some extent.

Details of customer transactions are not published, nor are government transactions, interest payments or receipts on loans. But these last categories are likely to involve net outflows of foreign

exchange, perhaps of the order of £500m to £1,000m.

This leaves interest on invested reserves. One quarter of the reserves are held in gold, the remainder in foreign currencies and IMF Special Drawing Rights. Where precisely the invested reserves are held is not published; but there is no reason to believe that the investments are substantially different from those in which other governments choose to hold their sterling reserves.

The total exchange reserves held in sterling by other central banks comprises half in Government stocks, and half in short-term investments such as bank deposits (37 per cent) and Treasury Bills (13 per cent).

On the assumption that the reserve holdings of convertible currencies and SDRs earn interest at 10 per cent, the total amount of interest accruing to the reserves would be around £800m to £900m a year. (Most of the United Kingdom's holdings of convertible currencies are likely to be in dollars, and the bulk is in United States Treasury bills.)

Spotting the extent of intervention among the numerous unpublished transactions which go to make up the underlying change in the reserves each month is thus well nigh impossible.

Frances Williams

Expansion slows for banks

By John Whitmore
Financial Correspondent

International banking activity continued to expand strongly in the third quarter of 1980, but there was no further growth in the Eurosterling markets after the sharp rise in the first half of 1980.

Figures released by the Bank for International Settlements yesterday indicated that the external assets of reporting banks grew by just under \$50,000m in the three months to September 30, roughly the same rate (at constant exchange rates) as in the previous quarter.

After netting out interbank transactions, however, third quarter growth was somewhat slower, at about \$35,000m compared with \$45,000m, but still representing an annualised growth rate of some 20 per cent.

A principal reason for this rather slower rate of growth was the ending of certain monetary restrictions in the United States and the United Kingdom. American credit restrictions, introduced during the spring, were lifted. This led to a fall in the demand for finance from offshore sources.

Similarly, in the United Kingdom, the ending of the banking "corset" led to a reversal of an earlier trend that had seen increased recourse to Eurofinance by the United Kingdom non-bank sector.

Steel report warning on competitive costs

By Peter Hill
Industrial Editor

The Government has been urged in a report to eliminate the present cost disadvantages suffered by British steel producers compared with their European competitors.

The report also stresses that withdrawal of support would have disastrous consequences for the United Kingdom economy.

In a detailed report covering the cost competitiveness of the European steel industries, the British Iron and Steel Consumers Council said that over the six years to March 1980, British Steel Corporation's costs were estimated to have risen by £1,500m, equivalent to £14 a tonne of steel produced.

This cost disadvantage resulted from price controls, a ban on closure of plants which had been scheduled to be phased out, redundancy costs borne by the state or insurance funds, and higher United Kingdom coking coal and energy costs.

The BRISCC said that roughly half of the government funds provided to British Steel during the six-year period, totalling £2,870m, might be regarded as compensation for those increased costs.

In its report, published as EEC ministers met in Brussels to consider the steel industry's crisis and the phasing out of state aid, the BRISCC said that

it was vital that British producers should be able to match the partly government-funded investment of their European competitors.

The report said that government policies must take account of the extent to which Continental steel companies' costs were met by their governments or insurance companies and stressed that against the background of European coking coal prices being held down to world market levels, new coal import restrictions must not place the United Kingdom users at a competitive disadvantage.

Last night in London, Sir Keith Joseph, the Industry Secretary, met the Conservative Industry Committee of backbench MPs to discuss the Government's decision last week to pump a further £800m into the steel corporation over the next 15 months. The MPs expressed reservations at the scale of the taxpayers' commitment to the corporation.

After the meeting, Mr Michael Grylls, the committee chairman, said that he planned to ask the Industry Secretary to publish the performance criteria which the recently announced monitoring committee will use to base its assessment of the scale of payments to be made retrospectively to Lazard Freres, the American investment bank which Mr Ian MacGregor left to take over the chairmanship of British Steel.

Private rail freight confidence

By Michael Bailly
Transport Correspondent

Private sector involvement in British Rail's freight business, which represents investment worth around £500m, is expected to rise sharply over the next decade despite the present poor performance.

Private wagon operators, whose 18,000-vehicle fleet carries about a third of all BR freight, are looking beyond the recession and forecasting substantial growth in rail traffic in aggregates, chemicals, and general merchandise. They also expect a rise of over 50 per cent in their share of the larger market.

Mr Michael Barclay, chairman of the Private Wagon Federation whose Railfreight 81 exhibition opened at Olympia, London, yesterday, believes that BR's own freight forecast of a rise from 150 million to 182 million tonnes by 1986 is too pessimistic in the light of possible problems for road hauliers.

"Fuel costs are going to rise very sharply for road transport on top of restrictions on drivers' hours," he pointed out. "At the same time, big gains in productivity are being made in rail freight through bigger, more efficient wagons combined with closer operating control."

The private fleet is already noticeably more productive than BR's own 150,000-wagon fleet, carrying over 30 per cent of the traffic with only 13 per cent of the numbers. This he attributes to bigger, newer wagons, and more effective movement control.

LETTERS TO THE EDITOR

Clarifying the Lloyd's Bill

From The Deputy Chairman of Lloyd's

Sir, I was concerned to read Lord Napier and Eutrick's letter (March 3) suggesting that members of Lloyd's were kept ignorant of the terms of the Bill new before Parliament. A copy of the proposed Bill was sent to all members of Lloyd's on October 6 together with their admission cards for the Albert Hall meeting on November 4. Nor was this the first opportunity for members to consider the terms of the Bill since a draft Bill (very similar to the final version) was sent to all Members as part of the Fisher report in June last year. May I now comment briefly on the other two points in the letter.

The Sasse litigation still continues and we are advised that we should not comment on interpretations placed on the facts of this case.

Sir Henry Fisher's working party made a clear recommendation that immunity should be obtained for the society otherwise self-regulation would not be effective and all the members of the society would suffer. Lloyd's is not seeking to place itself above the law nor to remove its actions from review by the courts. The immunity is only concerned with the relationship between the society and the members of the Lloyd's community and does not affect either the public or the policyholders. That such an immunity should be sought was a

committee decision which has been supported by the overwhelming majority of members.

The committee has agreed that immunity will be sought in the Bill itself that it will be upon a future council conference working, external and internal members to seek immunity subject to the approval of the Privy Council Parliament. We believe we would be failing in our duty to the membership as a whole if we did less.

I am etc.
A. W. HIGGINS,
Deputy Chairman,
Lloyd's,
1, Old Street,
London, EC3M 7HL.

The quality of sugar

From Miss Isabel Sayers

Sir, I am prompted to write to you following the letter from Mrs Gaddum (February 20) about restricted choice of sugar. I too have been surprised not to have seen this aspect of the matter given public consideration. It so happens I have a few shares in the British Sugar Corporation, and wish them well for it would be splendid for this country to be self-sufficient in an essential commodity, but there seems to be no doubt that cane sugar, demerara and the various browns, are much more satisfactory for flavouring many foods, as well as white lump for

jam making. Indeed, in my youth we used to buy small sacks of broken lump (cane) sugar, for jam making, but I have not heard of this possibility for years. I imagine from the dietary point of view, too there must be much merit in demerara, etc.—no one could call them pure, white and deadly, as one eminent nutritionist said of white sugar!

Yours faithfully,
ISABEL SAYERS,
High Meadow,
70 Cym Road,
Dyserth,
Rhyll,
Clwyd, LL18 6BD.
February 22.

Nuclear cover

From the Secretary, UK Kingdom Atomic Energy Authority

Sir, Mr Barr's letter (Feb 16) suggests that the UK installations, Act 1953 amended to provide for an amount maximum of £50m pension in respect of a clear accident. This is not Section 16(3) of the Act which provides for the satisfaction of claims beyond the amount which is covered international arrangements such as out of the provided by such means as United Kingdom Parliament may determine.

I do not think that it would be difficult in principle to decide where to address claim for compensation under the Act in the event of a clear accident.

I am etc.
J. J. SEARBY,
The Secretary,
United Kingdom Atomic Energy Authority,
11, Charles II Street,
London SW1Y 4QP.

Currency transactions

From Mr N. D. Barnett

Sir, I can assure your correspondents that there are places in London where foreign currency can be obtained on the presentation of a cheque or cash.

I went yesterday to an office of Thomas Cook and asked if they would accept my cheque and their reply was that they accepted it on the same basis as any bank. Up to £50 in foreign currency can be obtained, provided the customer had not used the cheque

card that day for cash. I bought £50 worth on the spot without any request for my name address, etc.

The only query I had raised was why they charge 75p for each currency requested. My request for pesetas and escudos entailed a surcharge of £1.50. Surely this could be described as overcharging for what was really one transaction?

Yours faithfully,
N. D. BARNETT,
16, Pannur Road,
London SW20.
February 24.

Employing coal miners

From Mr Merlin Minshall

Sir, In its natural concern about how to reemploy redundant coal miners, the Government considered the widespread hardship that is already falling on all those citizens who for centuries all over the country have earned a livelihood by supplying the Coal Industry with much of its ancillary equipment?

To take just one example, the production of pit props, without which no mine can safely operate. The creation of

pit props requires not merely foresters who supply the special wood, but employs many people who work in saw mills and makes considerable use of people in the transport industry who are already having to stand idle as they are no longer required to deliver.

Yours sincerely,
MERLIN MINSHALL,
The Old Bakery,
Stoke Ferry,
Kings Lynn,
Norfolk.

Windmill sizes

From The Chairman of British Wind Energy Association

Sir, Mr Stobart (letters, Feb 11) implies that the ENEC Technology Unit report of 1977 supports his argument small windmills give less energy than larger ones.

In the ENEC report suggested the optimum size would be megawatt or larger, and the developments that I taken place since 1977

experts would now favour individual machine rating several megawatts, when a minimum energy cost is required.

Recent work in the UK indicates that large, modern wind turbines can deliver energy at approximately pence/kWh, and the technology is still rapidly evolving with the prospect of continuing cost reductions. Energy from small wind turbines cost approximately double the figure.

PETER MUSGROVE,
Department of Engineering,
University of Reading.



بنك الاتحاد للشركات الأوسط المحدود UNION BANK OF THE MIDDLE EAST LIMITED

Balance Sheet at 31st December 1980

	31st December 1980	1979		31st December 1980	1979
	Dh000	Dh000		Dh000	Dh000
Share Capital			Assets		
Authorised—ordinary shares of Dh5 each*	1,000,000	500,000	Cash, balances with banks, money at call and short notice	548,542	320,777
Issued—ordinary shares of Dh5 each fully paid*	210,000	200,000	Deposits with banks	62,468	56,061
Reserves	26,600	16,100	Loans and advances repayable on demand and within one year	1,907,768	1,394,330
Profit and loss account	1,194	560	Accrued interest receivable and other accounts	23,022	17,606
Shareholders' Funds	237,794	216,660		2,541,800	1,788,774
Liabilities			Liabilities of customers for confirmed credits, acceptances and guarantees	1,076,171	966,300
Current and deposit accounts maturing within one year, including reserve for contingencies	2,274,993	1,552,324		3,721,958	2,818,315
Deposit accounts maturing after one year	51,837	45,356			
Accrued interest payable and other accounts	57,163	37,675			
Proposed dividend	24,000	—			
	2,645,787	1,852,015			
Confirmed credits, acceptances and guarantees on behalf of customers	1,076,171	966,300			
	3,721,958	2,818,315			

* 1979—shares of Dh100 each, see Share Capital below

U.S. \$1.00 = U.A.E. Dh3.67 approximately

Principal Activity:
The Bank carries on the business of international merchant banking, together with full retail banking facilities to individuals, firms, corporations and government departments. In particular, special emphasis is given to short and medium term finance, promotion of import and export trade to and from the United Arab Emirates, corporate finance services, foreign exchange and money market transactions, short and medium term lending in local and major world currencies, investment banking, and private placements.

Results for the Year:
For the Bank, 1980 was a successful year. Revenues from trade finance increased significantly due to active marketing of the Bank's services. The overseas development of the Bank has been rewarded as our branches have continued to

contribute to our profits since the commencement of their operations.

The Bank has declared a profit for the year of Dh45,134,000 (U.S. \$12,298,000).

Share Capital:
The Directors have proposed that the authorised share capital of the Bank be increased to Dh1,000,000,000 and that each existing share of Dh100 be replaced by 20 shares of Dh5 each.

A bonus issue of shares has been proposed by the Directors on a 1 for 20 basis by the appropriation of Dh10 million from general reserve, giving a paid up capital of Dh210 million (U.S. \$57 million), maintaining the Bank's position as one of the largest share capitalised Banks in the United Arab Emirates.

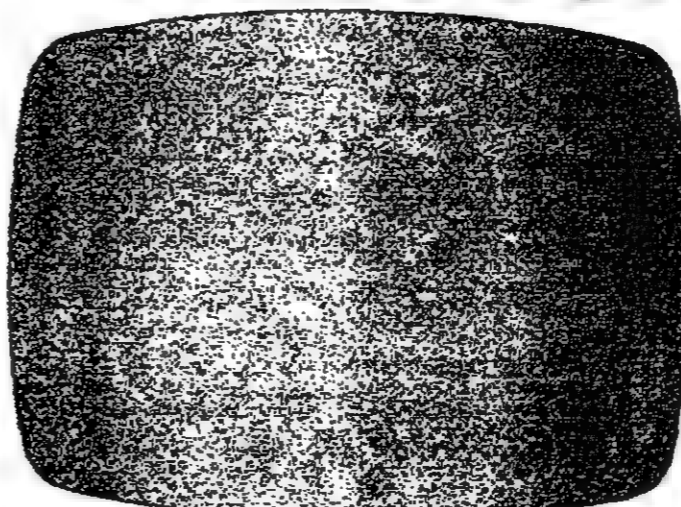
U.A.E. Head Office:

P.O. Box 2923, Dubai, United Arab Emirates.
Telephone: 281181. Telex: 46425 UNIDB EM (General), 46426 UNIFEX EM (Dealers).

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Branches in Dubai, Karachi, Lahore and Faisalabad.
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مكتبة الأصيل

Stock markets

Unilever figures and Budget fears hit equities

With only six working days left before the Budget, most investment sections were showing signs of anxiety yesterday over the Chancellor's expected proposals.

Leading industrials again bore the brunt of selling pressure with prices drifting steadily throughout the day. Sentiment was given an additional knock by full-year figures from Unilever, and although profits were in line with most expectations, the reduced dividend came as a shock—especially when it was the result of currency translations.

Jobs were able to stem the expected flow of selling orders by lifting 10p from the price but could only watch as investors switched into the NV shares. The price eventually closed 3p lower at 47.5p.

Elsewhere, dealers were expressing concern over a possible 2 per cent cut in MLE next week. But several cheap buyers saw equities recover after hours despite the recent weakness of the pound and a possible confrontation coming with the water workers. The FT Index, which was down 7.2 at 1 pm, recovered slightly to close 5.2 lower at 496.2.

Glits appeared dismayed by reports that the Government had failed in its attempt to cut public sector spending. The weak pound also did little for confidence and the latest reduction in United States prime rates from 12 to 11 per cent by Citicorp and First National of Chicago did little to remedy the market.

Nervous offerings saw falls of between 1 and 1 1/2 in loans while the shares of 12 banks ranged from 1/2 to 1 1/2. Applications for new tax, which open today, are expected to be allocated in full.

Leading industrials spent

another uninspiring session with prices usually easier when changed. ICL down 2p at 248p, and Imperial Group unchanged at 74 1/2p, were both in ex div form and not, as stated yesterday, as not paying their respective dividends.

Elsewhere, Becton fell 1p to 161p, Hawker Siddeley 2p to 288p, Tube Investments 6p to 144p.

Flagging engineering giant GKN will get a boost today with brokers Savory Miln rating the shares a buy for recovery and looking for profits in the second half. The brokers expect a 15m loss for last year and a break-even for the current first half. The share closed unchanged at 144p.

190p, Lucas Industries 2p to 190p and Fisons 2p to 138p. However, there were several bright spots, including Glaxo 2p better at 250p, Courtauld up 1p to 62p and Dunlop closing firm at 63p.

Shares of John Michael (Savile Row) were suspended at 14p pending a statement expected no later than Monday, Mr. John Michael, chairman, was unable to comment.

Market newcomer Espley Tyas encountered profit-taking, slipping 6p to 90p, while British Aerospace recovered a 2p fall to close unchanged at 174p.

On the bid front, shares of Davy Corp tumbled 14p to 143p on news that the bid from Enserch had been referred to the Monopolies Commission. Meanwhile, British Sugar, still awaiting the verdict of a report from the Monopolies Commission resulting from the bid by S. & W. Beristford, slipped 5p to 172p, while the latter ceased 2p to 172p.

Shares of Gaskell Broadloom were another weak market, slipping 7p to 59p after Rowe & Pitman ceased buying on behalf of one of its clients.

Favourable comment lifted Howard Tenens 2p to 60p, Hanson Trust 1p to 226p and Allied Colloids 3p to 123p, but adverse comment on a possible bid approach left Austin Reed 5p lower at 90p, and Dunlop closing firm at 63p.

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Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown pretax and earnings are net. * = for nine months.

Latest results

Company Sales Profit Earnings Div Pay Year's

AAI (*) 261(241) 6.49(4.46) 18(7.33) 3.82(3.48) 31/3 (8.5)

British Vita (F) 88.69(73.30) 7.11(8.53) 12(7.33) 2.61(2.6) 5/5 5.2(5.0)

Diagrams (I) 25.1(24.0) 2.51(2.40) 13/4 1.3(1.3) 13/4 1.3(1.3)

Grain (F) 34.8(37.3) 26(30) 2.87(2.68) 5.89(5.35) 13/5 4.0(4.0)

Invergoron Dist (F) 24.6(24.3) 3.91(3.83) 2.81(2.76) 2.52(2.3) 22/5 2.2(2.2)

Mercantile Inv (F) 24.2(25.0) 127.5(131.5) 46.5(53.9) 14.7(13.25) 22/5 2.2(2.2)

Unilever (F) 10.15(10.249) 56.7(60.65) 74.25(84.71) 13.97(15.11) 2/6 22.91(24.05)

Woods (F) 17.0(17.8) 0.93(0.4) 1.1(1.42) 1.22(1.1) 1/7 1.92(1.75)

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British Vita (F) 88.69(73.30) 7.11(8.53) 12(7.33) 2.61(2.6) 5/5 5.2(5.0)

Diagrams (I) 25.1(24.0) 2.51(2.40) 13/4 1.3(1.3) 13/4 1.3(1.3)

Grain (F) 34.8(37.3) 26(30) 2.87(2.68) 5.89(5.35) 13/5 4.0(4.0)

Invergoron Dist (F) 24.6(24.3) 3.91(3.83) 2.81(2.76) 2.52(2.3) 22/5 2.2(2.2)

Mercantile Inv (F) 24.2(25.0) 127.5(131.5) 46.5(53.9) 14.7(13.25) 22/5 2.2(2.2)

Unilever (F) 10.15(10.249) 56.7(60.65) 74.25(84.71) 13.97(15.11) 2/6 22.91(24.05)

Woods (F) 17.0(17.8) 0.93(0.4) 1.1(1.42) 1.22(1.1) 1/7 1.92(1.75)

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Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown pretax and earnings are net. * = for nine months.

Latest results

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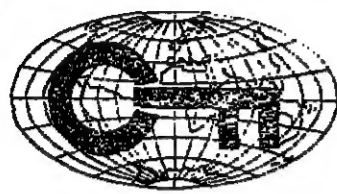
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